



CITY OF MARIETTA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2011

Fiscal Year Ended June 30, 2011

**Comprehensive Annual Financial Report
City of Marietta, Georgia**

For the Fiscal Year Ended June 30, 2011

**DEPARTMENT OF FINANCE
Sam Lady
Finance Director**

MAYOR AND CITY COUNCIL



Annette Paige Lewis
Councilmember, Ward 1



R. Steve Tumlin, Jr.
Mayor



Griffin "Grif" L. Chalfant, Jr.
Councilmember, Ward 2



Johnny Sinclair
Councilmember, Ward 3



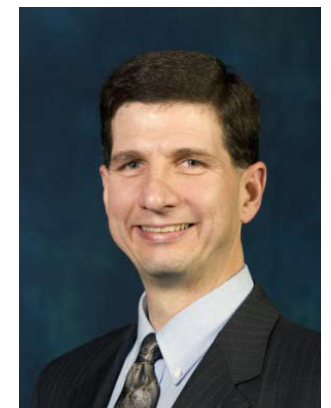
Irvan A. "Van" Pearlberg
Councilmember, Ward 4



Rev. Anthony C. Coleman
Councilmember, Ward 5



James W. King
Councilmember, Ward 6



Philip M. Goldstein
Councilmember, Ward 7

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INTRODUCTORY SECTION



FINANCE DEPARTMENT
205 Lawrence St NE
P.O. Box 609
Marietta, GA 30061-0609
(770) 794-5544
Fax (770) 794-5535

December 22, 2011

THE HONORABLE R. STEVE TUMLIN, JR. MAYOR
MEMBERS OF CITY COUNCIL AND CITIZENS OF THE
CITY OF MARIETTA
MARIETTA, GEORGIA 30060

The Comprehensive Annual Financial Report (CAFR) for the City of Marietta, Georgia, for the fiscal year ended June 30, 2011, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures rests with the City. We believe the report, as presented, is accurate in all material aspects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Moore & Cubbedge, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Marietta's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Incorporated in 1834, the City of Marietta is the county seat for Cobb County, Georgia. Marietta is named for the wife of U.S. Senator Thomas Cobb, for whom the county is named. The surrounding area was part of the Cherokee Indian Territory when the first settlers arrived in the early 1800s. Gold fever brought the first European immigrants, but a stable agricultural community took root in the broken dreams of the “gold rush”.

The City became a center for trade and attracted wealthy visitors to its mild climate and “health giving” mineral springs. During the Civil War, Sherman destroyed much of the City on his “March to the Sea” in 1864. Recovery was slow; however, an economic boom took hold during World War II with the construction of the Bell bomber plant. The Lockheed Aircraft Corporation modernized the plant and has kept it in operation since 1951, now operating it under the Lockheed Martin Aeronautical Systems name. Current production includes the C-130J Hercules, the sustainment of P-3 Orion, modernization upgrade of the C-5, and production of the advanced F-22 Raptor.

The construction of Interstate 75 during the 1960s and 1970s opened up the area for increased metro and regional growth. This accessibility has brought hundreds of thousands of new residents to live in Cobb County, which has elevated the City’s role as the county seat and a center for commercial activity.

Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and seven council members, all elected on a non-partisan basis. The Council appoints the government’s manager, which in turn appoints the heads of the various departments. The mayor and council members serve four-year terms; all elected members’ terms run concurrently. The mayor runs at large; the council members are elected by ward.

The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, the special revenue funds, the debt service fund and the capital project funds are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control, however, is maintained at an object of expenditure level within the department or function. Administrative transfers of appropriations within a department may be authorized by the City Manager to meet unforeseen needs without Council action. Transfers of appropriations between departments or functions within a fund are reviewed with Council prior to approval. The City’s budget procedures are more fully explained in the accompanying Notes to the Financial Statements. The City maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to the ensuing year’s budget.

The City of Marietta provides a full range of municipal government and utility services to approximately 61,500 citizens and customers. Included in these services are traditional City functions such as police and fire protection, sanitation, road and traffic signal maintenance, parks, recreation, planning, cultural affairs, courts, and utility functions including electric, water, wastewater. Furthermore, the City exercises fiduciary responsibility for the City's General Pension.

Local economy

Marietta is located about 20 miles northwest of downtown Atlanta. The Atlanta Metropolitan area continues to be one of the fastest growing economies in the United States. The region has significantly lower unemployment rates than most places in the U.S. and led the nation in job creation several times in the 1990s. Cobb County has become one of the fastest growing economically robust counties in Georgia. The business environment outlook for Marietta continues to be favorable despite the economic downturn experienced by other regions of the country; in fact there are a number of redevelopment projects in the advanced planning and construction stages. The City of Marietta's primary focus will be given to fostering small business growth and land uses oriented toward office, industrial, and business parks, which will be offering a variety of employment opportunities.

Redevelopment and revitalization of several areas throughout the City have been identified and when completed, will create financially sound development, therefore increasing a stronger tax base. Marietta offers one of the lowest millage rates in the Metro Atlanta region at 29.943 mills per thousand dollars (combined City, County, and School). Marietta will continue to promote a strong tourism program for the 5 historic districts, churches and homes as identified by the National Historic & Georgia Register. Our economic activity centers include multi-million dollar corporations such as YKK Corp of America, Solvay Pharmaceuticals, Matria Healthcare, Columbian Chemical, and Coloplast Corporation. To assist manufacturing companies in relocating or expanding their facilities, the Marietta Development Authority was created to develop and promote trade, commerce, industry and employment opportunities through issuance of revenue bonds.

Marietta and the Marietta Census Tracts have been and will continue to be a population growth area. The City's population was estimated to be 56,579 on June 30, 2011.

Long-term financial planning

Unassigned fund balance in the general fund (46 percent of total general fund revenues) exceeds the policy guidelines set by the Council for budgetary and planning purposes (i.e. minimum fund balance calculation is slightly over \$6 million).

Over the past five years the City has devoted its attention to the redevelopment of various areas of the City. This is further discussed in the major initiatives section of this letter.

Major Initiatives

The City of Marietta worked diligently last year to improve the quality of life of our citizens as we continued to develop our City into the most livable community in the Atlanta metro region. In order to progress toward this goal, we undertook the following major initiatives:

The popular Concert in the Square series and new happenings such as the expansion of the farmers market, the first Friday art walks, programs for kids and adults at the renovated Strand Theatre and Theatre in the Square, and the Historic Marietta Trolley all draw large numbers of people to the downtown area, making downtown Marietta a popular destination. The economic development office and the parks and recreation staff collaborate in attracting vendors and consumers alike to the vibrant Square.

Marietta is in the midst of the largest makeover in Marietta's history with over \$97 million in streetscapes, sidewalks, trails, road, electrical and park improvements underway. 1% SPLOST funding will provide for gateway improvements at Roswell Street, Powder Springs Road, Franklin Road and Fairground Street. Improvements will span Fairground Street from Allgood Road to S. Marietta Parkway and will include a traffic calming roundabout at the Allgood Road and N. Fairground Street intersection. Roswell Street streetscape improvements provide a pedestrian-oriented street with new sidewalks, street trees and street lights from Park Street to the Square. Roswell Street will be improved by providing 4 lanes with a landscaped median from Victory Drive to Cobb Parkway. Funding is included for the replacement of the Kennesaw Avenue Bridge, the Kennesaw Mountain to Chattahoochee River multi-use trail, decorative street signs and new sidewalks. The BLW is making improvements in electric, water and sewer projects in all the makeover areas, by relocating and upgrading utilities, while moving some underground. Federal funding, private donations, TAD funding, BLW and City contributions are funding 307 new pedestrian lights and 169 new decorative street lights, the planting of more than 500 trees, renovations to Henry Park and Lewis Park, new sidewalks and traffic signals, and significant investments in the Renaissance District.

Marietta Square and Glover Park received a total makeover as well. The fountain was repainted and refurbished and the bricks in the park and along the sidewalks have just been replaced for visitor safety. Other upgrades include new black ornamental traffic poles, decorative bases and mast arms with special downtown signage. All old traffic signals were replaced with new LEDs to increase visibility and decrease the amount of energy required to operate the signals. The city installed wireless communication among the stop lights on all four corners of the Square so businesses won't be disturbed by workers installing wiring under the sidewalks. The city upgraded controller equipment including battery back-up capability to ensure traffic lights work during storms and power outages. Additional improvements to the Square included repaving city streets and constructing brick paver crosswalks and pedestrian areas.

Marietta's economic development office worked with the Georgia Department of Community Affairs to create Opportunity Zones within the city limits. This program encourages new businesses to locate in the city or expand existing businesses. When two or more jobs are created, businesses may be eligible to receive \$3,500 in employee state tax credits for each new job through October 2019. It was recently announced that at least 350 new technology jobs are coming to Marietta over the coming year as a Fortune 500 company moves two offices from California to a 260,000 square foot building on Canton Road off I-75. Marietta was chosen not only for its Opportunity Zone but also because of the community's plentiful, skilled workers and affordable real estate and energy. The establishment of Opportunity Zones is the most important economic development tool we have ever had.

Voters approved a parks bond to improve Marietta's park system, the City Council is developing plans to implement park improvements based on public input. The \$25 million bond can be spent on land acquisition; improvements to existing parks and facilities; development of parks, facilities, trails and greenspace; planning and design of improvements; and administration and contingencies. This last year the city completed improvements to the baseball/softball facility at Aviation park, work on a soccer complex at Custer is underway. The lakes at Laurel Park are in the midst of a \$600 thousand dollar renovation which includes dredging the lakes by collecting silt that has settled in them. The city is currently working on designs for an indoor facility on the North Loop and an outdoor recreation park at Hickory Hills. The Hickory Hills Park renovation is underway and is set to include two lighted soccer fields and two lighted tennis courts. The renovations also include a multi-use trail, restrooms, pavilions and parking improvements.

Marietta's efforts to secure grant funding were successful last year. Marietta was selected to receive over \$1 million in grant funds as part of the American Recovery and Reinvestment Act (ARRA) for streetscape improvements on Roswell Street. In addition, the Atlanta Regional Commission (ARC) awarded Marietta \$3 million to fund streetscape and traffic improvements on Franklin Road. The Marietta Police Department is the recipient of two federal stimulus grants totaling over \$1 million to hire additional officers for up to three years. The city was also awarded \$785,000 to fund energy-efficiency improvements to the government campus and providing energy audits to the business community. A federal grant for almost a half million dollars was awarded to the city for the Safe Routes to School program to improve sidewalks at four city schools, improving the safety of students walking or bicycling to school. The City also received a Georgia DOT Gateway Grant for \$45,575 for landscaping projects along the North Loop from Polk Street to the Kennesaw Avenue overpass.

Marietta is putting in place the infrastructure needed to support new redevelopment projects. Marietta's current work to prepare for redevelopment will jumpstart the construction process and local economy when it begins to improve. By having the infrastructure in place, including power, water and sewage lines, developers building in

Marietta will be able to more quickly construct homes and businesses when the economy begins to recover.

Marietta was reviewed by the Insurance Services Office (ISO) and was awarded a Class Two ranking based on several criteria including how well the fire department is distributed through the city, the quality and maintenance of the water system, 911 communications system, the number of firefighters assigned to reported fires and firefighter training. Marietta is now the highest rated department in Cobb County and one of the highest in the State of Georgia. This will decrease insurance for property owners in Marietta.

The MINT program is also seeing great success with new attractive single family houses being built and sold to first-time home buyers in the neighborhoods surrounding our downtown. The City has made a concerted effort to improve the design of these MINT houses, and they are now leading redevelopment on the streets on which they are built.

Marietta's commitment to upgrading and replacing the water and sewer systems has been evident in projects completed in 2009 including the US-41 20-inch Water Main Replacement, major rehabilitation work on water storage tanks, and on-going replacement and rehabilitation of priority water and sewer infrastructure. In addition there are now over 4,000 feet of large water main replacements, 5,000 feet of water distribution line replacements, and 12,000 feet of sewer line replacements presently in design. System reliability and infrastructure improvements will continue to be realized due to the ability to achieve departmental goals set for critical areas of operation.

The BLW continued its massive capital improvement program designed to upgrade and enhance services in preparation for our future downtown redevelopment and the requirements of our SPLOST program. This new infrastructure will bring in additional revenue and allow the City to grow for decades to come. When the economy improves, Marietta will be ahead of our competition in our readiness to accept new development opportunities.

In the sanitation area, the city is also making substantial changes. In addition to picking up garbage at cost-effective rates, the city is now saving \$320,000 each year by providing recycling pickup using city staff instead of continuing to contract the service to a provider. Marietta's Sanitation division analyzed staffing schedules and shifted manpower to allow the City to bring its recycling program in-house.

In May 2010 the national bond rating agency Fitch Ratings increased the City of Marietta's bond rating from 'AA' to 'AA+', making Marietta the highest rated Georgia city Fitch evaluates. Marietta's bond rating is based on the City's ability to pay its debts and is a positive statement by outside third-party experts on the City's management, financial strength and future. Having bond ratings increase during a tough recession is a reaffirmation of the City's financial management and economic outlook.

The City continued its year-long celebration of Marietta's 175th anniversary to honor the great communities in Marietta, including business, culture, education, government, history, neighborhood, civic, and religious. These events bring great numbers of people not only to Marietta Square, but to different parts of town. A commemorative book honoring Marietta's history was published containing more than 175 facts and pictures about the city from its founding in 1834 to the present.

Marietta was chosen to host the re-premiere of "Gone With the Wind" on the movie's 70th anniversary after receiving the support of Warner Brothers and Turner Classic Movies. The two-day event included a restaging of the 1939 gala including remaining cast members and VIPs walking the red carpet, autograph signings with actors who starred in the original movie and book authors, a costume ball, and the largest Virginia Reel performed on Marietta Square by costumed participants from Marietta and across the world.

The combination of Marietta's rich history and our progress in economic development has not gone unnoticed throughout the nation. NBC's the "Today Show" in New York called Marietta one of the top 4 places in America for house hunting to "get the most bang for your buck". Another great honor came when CNNmoney.com editors picked the 100 places to live in the country and Marietta was on the list.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marietta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This represented the twenty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting from the GFOA a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2010 for fiscal year 2011. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the Accounting Division and the entire staff of the Finance Department and the cooperation of the various elected officials and appointed management. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sam Lady", with a long horizontal flourish extending to the right.

Sam Lady
Finance Director
City of Marietta

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Marietta
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



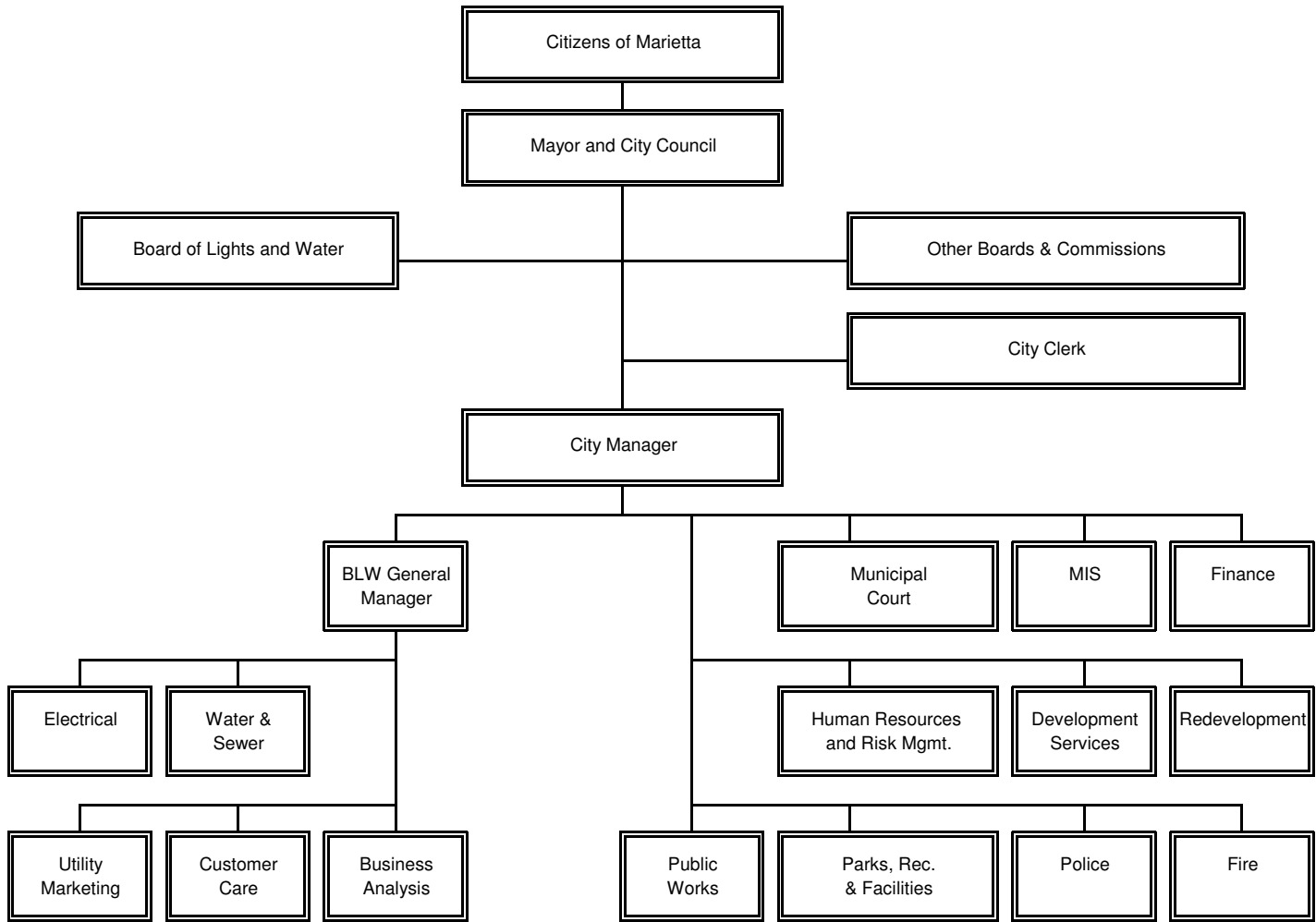
Linda C. Sandson

President

Jeffrey R. Enen

Executive Director

CITY OF MARIETTA ORGANIZATION CHART



OFFICIALS

Mayor and City Council

R. Steve Tumlin, Jr.
Mayor

Annette Paige Lewis	Ward 1
Griffin L. Chalfant, Jr.	Ward 2
Johnny Sinclair	Ward 3
Irvan A. Pearlberg	Ward 4
Rev. Anthony C. Coleman	Ward 5
James W. King	Ward 6
Philip M. Goldstein	Ward 7

Board of Lights and Water

R. Steve Tumlin, Jr., Mayor
Chairman

Rev. Anthony C. Coleman, Council Member	Board Member
Bruce E. Coyle	Board Member
Harlon D. Crimm	Board Member
Charles L. George	Board Member
Terry G. Lee	Board Member
Alice Summerour	Board Member

City / BLW Administration

William F. Bruton, Jr.
City Manager

Pamela Allen	Municipal Court Administrator
Shannon Barrett	Assistant to the City Manager
Thomas Bell	Electrical Director
Brian Binzer	Development Services Director
Richard Buss	Parks, Recreation and Facilities Director
Daniel Conn	Public Works Director
Ronald Barrett	MIS Director
Shannon Barrett	Acting Human Resources and Risk Management Director
Barry Echols	Utility Marketing Director
Herbert Edwards	Business Analysis Director
Daniel Flynn	Police Chief
Jackie Gibbs	Fire Chief
Stephanie Guy	City Clerk
Douglas Haynie	City Attorney
Sam Lady	Finance Director
Robert W. Lewis	BLW General Manager
J. Kevin Moore	BLW Attorney
Ronald Mull	Customer Care Director
Robert Snelson	Water and Sewer Director
Reggie Taylor	Marietta Redevelopment Corp Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable R. Steve Tumlin Jr., Mayor
Members of the City Council
City of Marietta
Marietta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marietta, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We have audited the component unit and the fiduciary fund of the City. We have also audited the financial statements of each of the City's nonmajor governmental and internal service funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information as well as each component unit and fiduciary fund of the City of Marietta, Georgia, as of June 30, 2011, and the respective changes of financial position and the cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor governmental and internal service funds of the City of Marietta, Georgia at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Michael R. Crace Jean K. Hawkins Richard H. Lewis Tammy A. Galvis Donald L. McGrath Jr. Retired: C. Frank Moore Edwin W. Cubbedge III

T 770.422.0500 F 770.421.6440 366 Powder Springs Street Marietta, Georgia 30064 www.moore-cubb.com

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the City of Marietta, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the Schedule of Funding Progress, and the budgetary comparison for the General Fund on pages 3 through 15, page 59 and page 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marietta's basic financial statements. The accompanying supplementary information listed as the Introductory Section and the Statistical Section in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Marietta, Georgia. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material aspects in relation to the basic financial statements taken as a whole.



Moore & Cubbedge, LLP

December 22, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the City of Marietta for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- ❖ Marietta's assets exceed liabilities by \$221 million at the end of fiscal year 2011. This is an increase of \$12.2 million when compared to the previous year. Of this amount, \$204.8 million is invested in capital assets (net of depreciation and related debt). Total unrestricted assets are negative \$10.5 million, a decrease of \$3.6 million from last year. Unrestricted net assets from governmental activities are a negative \$19.5 million, a decrease of \$10.9 million from last year. This decrease is due mainly to the City issuing two bond issues in 2010 that restricts the use of funds. Business-type activities unrestricted net assets are \$8.9 million.
- ❖ The City's total net assets increased \$12.2 million over the previous year with a \$1.6 million increase generated from governmental activities and a \$10.7 million increase resulting in the business-type activities.
- ❖ The City's General Fund's fund balance was \$40.7 million as of June 30, 2011. Of this amount, \$1.6 million has been assigned which in prior years were noted as reserved for encumbrances. \$10 thousand committed and 2.7 million restricted in the past these funds noted as reserved and a specific purpose noted. \$20 million noted as non-spendable and the remaining \$15.9 million is unassigned, but will be appropriated by the City Council for subsequent year's expenditures and other future purposes. The General Fund's fund balance increased by \$11.2 million from June 30, 2010.
- ❖ The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2011 are \$137 million and \$32 million respectively. \$131 million of this total represents liabilities that are due in more than one year, such as long-term debt, leases payable, and compensated absences. This is a decrease of \$5.3 million for the governmental-type funds and a increase of \$3.4 million for the business-type funds.

Total governmental activities bonds payable, net decreased by \$13 million in fiscal year 2011. This is due to the City 2011 debt regularly scheduled bond payments in fiscal year 2011. The city did not issue any additional bonds in fiscal year 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Marietta's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for non-major funds, and a statistical section.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Marietta's governmental activities include general government, public safety, streets and highways, and recreation. The City has three business type activities, the Board of Lights & Water that provides electric, water and wastewater services, City Club Golf Course, and the Marietta Conference Center and Resort that is a hotel and conference facility.

The government-wide financial statements include not only the City of Marietta itself (known as the primary government), but also one legally separate entity that has a significant operational or financial relationship with the City. This entity, known as a discretely presented component unit, is the Marietta Redevelopment Corporation. More information on the functions of this entity can be found in note 1 to the financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the

funds of the City can be divided into three categories: governmental, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 13 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, city wide projects fund, city parks bond fund and SPLOST fund which are considered to be major funds. Data from the other 8 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18 through 20 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three enterprise funds, the Board of Lights and Water, the City Club Golf Course, and the Marietta Conference Center & Resort. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance and motor transport activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Board of Lights and Water, City Club Golf Course, and the Marietta Conference Center and Resort. The board of lights and water and city club golf course which are considered to be major funds of the City. The internal service funds are

presented in the proprietary fund financial statements. Individual fund data for each of these funds is provided in the form of individual fund statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21 through 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* included in the government-wide financial statements because the resources of these funds are not available to support the City's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 through 27 of this report.

Budgetary comparisons. The City of Marietta adopts an annual budget for all of its governmental funds. Budget to actual comparisons for each of the governmental funds are provided in individual schedules elsewhere in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 58 of this report.

Other information. The combining and individual fund statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements and can be found on pages 59 through 127 of this report.

CITY-WIDE FINANCIAL ANALYSIS

A government-wide financial report represents the approach mandated by the Governmental Accounting Standards Board (GASB). GASB set the uniform standards for presenting government financial reports. This report provides comparative financial information to the previous year's actual results in this Management Discussion and Analysis.

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2011, assets exceeded liabilities by \$221 million.

The following table provides a summary of the City's governmental and business-type net assets for fiscal year 2010 and 2011.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Assets						
Current and other assets	\$137,273,048	\$127,795,557	\$ 26,584,995	\$ 37,876,060	\$163,858,043	\$165,671,617
Capital assets	69,603,858	75,338,817	138,631,021	149,432,344	208,234,879	224,771,161
Total assets	206,876,906	203,134,374	165,216,016	187,308,404	372,092,922	390,442,778
Liabilities						
Current and other liabilities	9,181,296	8,798,440	12,471,290	13,529,490	21,652,586	22,327,930
Non-current liabilities	133,250,201	128,341,868	16,568,657	18,842,066	149,818,858	147,183,934
Total liabilities	142,431,497	137,140,308	29,039,947	32,371,556	171,471,444	169,511,864
Net Assets						
Invested in capital assets, net of related debt	50,033,057	58,835,173	134,507,898	145,968,231	184,540,955	204,803,404
Restricted	22,973,206	26,661,194			22,973,206	26,661,694
Unrestricted	(8,560,854)	(19,502,801)	1,668,171	8,968,617	(6,892,683)	(10,534,184)
Total net assets	\$ 64,445,409	\$ 65,994,066	\$136,176,069	\$154,936,848	\$200,621,478	\$220,930,914

The largest portion of the City's net assets, \$204.8 million, represents investments in capital assets.

The investment in capital assets included land, buildings, machinery, and equipment, as well as infrastructure acquired and identified that was purchased and installed in previous fiscal years. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$26 million of the City's net assets represent resources that are subject to external restrictions on how they may be used. Included in this category are reserves for debt service, public safety grants, culture and recreation donations and uncommitted bond funds.

Changes in Net Assets. Governmental and business-type activities increased the City's net assets by \$12.2 million in fiscal year 2011. The following table indicates the changes in net assets for governmental and business-type activities in fiscal year 2010 and 2011.

Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues						
Program revenues:						
Charges for services	\$ 13,121,813	\$ 13,376,520	\$130,638,176	\$139,779,955	\$143,759,989	\$153,156,475
Operating grants and contributions	5,216,433	9,344,286	0	0	5,216,433	9,344,286
Capital grants and contributions	10,752,277	10,204,436	237,175	77,154	10,989,452	10,204,436
General Revenues:						
Property taxes	13,356,484	13,806,851	0	0	13,356,484	13,806,851
Other taxes	11,597,323	12,000,744	0	0	11,597,323	12,000,744
Investment earnings	356,084	205,966	223,404	539,567	579,488	745,533
Other revenues	1,772,162	2,102,947	280,904	444,084	2,053,066	2,547,031
Total Revenues	56,172,576	61,041,750	131,379,659	140,840,760	187,552,235	201,882,510
Expenses						
General government	8,652,513	8,679,032	0	0	8,652,513	8,679,032
Public works	14,065,683	14,222,761	0	0	14,065,683	14,222,761
Culture and recreation	2,083,996	2,934,820	0	0	2,083,996	2,934,820
Public safety	31,887,909	33,226,781	0	0	31,887,909	33,226,781
Urban redevelopment and housing	6,353,078	5,879,557	0	0	6,353,078	5,879,557
Interest on long-term debt	3,341,989	4,857,635	0	0	3,341,989	4,857,635
Water & sewer	0	0	25,731,472	25,841,087	25,731,472	25,841,087
Electric	0	0	85,525,058	90,902,721	85,525,058	90,902,721
Golf	0	0	1,599,511	1,577,086	1,599,511	1,577,086
Conference	0	0	7,689,002	1,551,818	7,689,002	1,551,818
Total expenses	66,385,168	69,800,586	120,545,043	119,872,712	186,930,211	189,673,298
Increase in net assets before transfers	(10,212,592)	(8,758,836)	10,834,616	20,968,048	622,024	12,209,212
Transfers in (out)	9,694,169	10,307,493	(9,694,169)	(10,307,493)	0	0
Increase (decrease) in net assets	<u>\$ (518,423)</u>	<u>\$ 1,548,657</u>	<u>\$ 1,140,447</u>	<u>\$ 10,660,555</u>	<u>\$ 622,024</u>	<u>\$ 12,209,212</u>

Governmental Activities. Governmental activities decreased the City's net assets by \$8.8 million in fiscal year 2011 before transfers. Key elements of this decrease are as follows:

Total revenues are 61.1 million, up 9% from the prior year. This increase in revenue attributed to increased business activity revenues. Revenue increase is attributable to an increase in intergovernmental revenue and business licenses. Fines and forfeits saw a slight increase and permit revenue increased due to the improving housing market. Investment earnings decreased from the previous year, this is attributable to the decrease in the rates. Property taxes saw a small decrease due to a decrease in property values.

Expenses totaled \$69.8 million. The increase over the previous year was due to a increase in public safety projects in the City and a general increase in culture and recreation spending. The City is still involved in several transportation and road improvement projects as a result of the voter approved Special Local Option Sales Tax (SPLOST). Construction, engineering and design work, right-of-way appraisals, and property acquisition are underway.

The City of Marietta has prepared the financial statements as required by GASB 34 as a phase I implementer. This required the City of Marietta to recognize all previous accumulated depreciation of its capital assets. Infrastructure assets are added to the capital assets as values are being determined.

Business-Type Activities. The City's business-type activities, which include the Board of Lights and Water, City Club Golf Course, and the Marietta Conference Center & Resort increased net assets by \$21 million in fiscal year 2011 before transfers to the governmental funds.

Table 3
Enterprise Net Operating Income (Loss)
Non-operating revenues (expenses)
and Transfers in (out)

	Fiscal Year	
	2010*	2011
Operating income (loss):		
Board of Lights & Water	\$ 15,924,619	\$ 19,658,574
City Club Golf Course	177,791	204,386
Marietta Conference Center & Resort	105,773	730,461
Total	16,208,183	20,593,421
Non-operating revenues (expenses)	(5,597,425)	800,735
Contributed capital from developers	237,175	77,154
Income (loss) before operating transfers	10,847,933	21,471,310
Transfers in (out)	(10,216,280)	(10,870,714)
Change in net assets	\$ 631,653	\$ 10,600,596

*Prior to restatement. See note 17.

The Board of Lights and Water's operating revenues increased 6.8% from the previous year while operating expenses increased by 4.4% resulting in an operating income increase of 23.4% from 2010. Contributions from developers decreased by \$160 thousand from 2010.

The City Club golf course operating revenues increased 7.4% from the previous year while operating expenses increased by 1% resulting in an operating gain of \$204,386.

The City has entered into a long-term lease for The Marietta Conference Center and Resort with a private party and is no longer involved in the daily operations. The Center is leased for a flat monthly fee sufficient to cover the debt service payments. As a result the operating revenues and expenses are no longer reflected in the financial report. The City is now reporting lease income, depreciation, and operating costs related to bond trustee expenses, and similar items.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Marietta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal 2011, the combined ending fund balances of the City's governmental funds were \$95.5 million. Approximately \$57.5 million of this consists of restricted fund balance, which is available as working capital for current spending in accordance with the purposes of the specific funds. The city has 1.6 million assigned which is for reserved for encumbrances. The general government also has 21 million that is considered non-spendable which consists of funds that are advances from other funds, pre-paid, and inventories. Total unassigned funds at the end of 2011 amounted to approximately 16 million.

The City has five major governmental funds:

General fund. This is the primary operating fund of the City of Marietta government. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, solid waste sanitation, and administration. The general fund balance was \$40.7 million as of June 30, 2011. Of this amount, assigned fund balance totaling \$1.6 million is reserved for encumbrances and culture and recreation. The fiscal year 2011 fund balance is \$11 million higher than the previous year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of total fiscal year 2011 expenditures and transfers, while total fund balance is 70% of the same amount.

Debt service Fund. This fund provides debt service for the city's debt obligations. The debt service fund had a fund balance of \$5.5 million as of June 30, 2011. That is a decrease of 136 thousand from the prior year. This decrease is due to maturities of bonds issued and reduction in debt service due in future years.

Splost Fund. The Special Purpose Local Option Sales Tax fund tracks expenditures related to the 1% sales tax used for transportation and communications. Sidewalks, bridge rehabilitation, multi-use trails, road improvements, general street and drainage rehabilitation, street resurfacing and new roads are all construction projects on the Transportation Projects list approved by the voters in 2005. In an effort to accelerate project completion, the city also undertakes County projects that are located within the City limits and receives reimbursement by the county for these projects. A county-wide 800 MHz communications system is also funded under this SPLOST. The fund balance as of June 30, 2011 is \$12.8 million this is a decrease of \$1.5 million from the last year. Construction was prefunded with a bond issue which created a large fund balance that will decrease as the projects are completed. This decrease was expected and will continue in future years.

Citywide Projects fund. The citywide Projects fund was established in FY2010 after the City issued revenue bonds to support the construction of major projects, purchase of major equipment and vehicles. The debt service for the revenue bonds is paid through the General fund.

City Parks Bond fund. The City Parks Bond fund was established in FY2010 after the approval of a \$25 million bond referendum. Funding is provided for land acquisition; improvements to existing parks, facilities, trails and green space; development of new parks; administration fees and contingencies.

Proprietary funds overview. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

The City operates the Board of Lights and Water (BLW) which provides electric, water, and wastewater utilities for residential and commercial customers. Unrestricted net assets of this fund at the end of the year amounted to \$38.5 million. The unrestricted net assets increased by \$4.5 million during the year as restated.

The City operates an 18-hole golf course known as the City Club. The total net assets of this fund at the end of the fiscal year amounted to \$3.2 million, a 15% increase.

The Marietta Conference Center & Resort is a conference center facility owned by the City. The total net assets of this fund at the end of the fiscal year were \$(10.6) million. The total net assets increased by \$1.3 million during the year. As stated earlier the City has leased the facility to a private operator and is no longer reporting the daily operations. The City will continue to report the asset depreciation.

Other factors concerning the finances of these funds were discussed under business-type activities.

The City maintains two internal service funds. Information on these funds is aggregated in the Proprietary Fund financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to the Georgia statutes and the City of Marietta Code. The most significant budgeted fund is the General Fund.

In June 2010, the City Council appropriated \$51.7 million for general fund expenditures. The budget was amended 21 times during the fiscal year.

Table 4
2011 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenue and other financing sources	\$51,739,876	\$6,805,225	\$58,545,101	\$63,734,762
Expenditures and other financing uses	51,635,135	7,902,048	59,537,183	54,185,620

Mid-year budget amendments include:

	General Fund	Weed & Seed/Police asset forfeiture	Grants	Parks & Rec	Total
Prior Yr encumbrances	\$ 789,696	\$ 155,295	\$ 28,518	\$ 6,151	\$ 979,661
1 Community Development		10,400	123,200		133,600
2 Parks & Culture				60,041	60,041
3 Public Safety	663,414		410,995		1,074,409
4 General Administration	230,986				230,986
5 Project Rollovers from previous years		7,654	5,275,182	140,515	5,423,351
	<u>\$1,684,096</u>	<u>\$ 173,349</u>	<u>\$5,837,896</u>	<u>\$ 206,707</u>	<u>\$7,902,048</u>

1 Federal Grant and United Way grant Franklin Road outreach projects in W&S; Federal Grant for Marietta Growth Fund to Sundial Plumbing and Prodew Inc.

2 Appropriations of donations for parks program & fire museum project.

3 General Fund: grants for Police Heat Unit and Fire prevention program; Appropriation of prior year saving for Payment on Fire truck. Grants for two police cars and fire breathing apparatus.

4 General Fund: Appropriation of tax reimbursement for collection agency and building demolition.

5 Project rollovers are for project budgets adopted in a previous year that are for the life of the project. The majority of project rollovers are related to the Roswell Streetscape project and bike trail construction.

Actual expenditures were 9% below anticipated budget. Revenues exceeded expenses by \$5.2 million on a budgetary basis.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 total \$224.7 million (net of accumulated depreciation and related debt). This investment includes land, buildings, machinery and equipment, as well as infrastructure. To comply with GASB 34, the City researched historical records to determine the value of infrastructure and calculated appropriate depreciation. The City has reported all assets acquired during fiscal years 2002 through 2011, and all assets that could be identified from previous periods. The total investment in capital assets (net of accumulated depreciation and debt) for the current fiscal year increased from the previous year by 7.9% after depreciation. Major capital assets events during the current fiscal year included the following:

Governmental activities:

- Land acquisition for parks and economic development programs \$2.3 million
- Buildings and machinery and equipment \$1.2 million
- Infrastructure \$9 million

Business-type activities:

- System improvements \$7.7 million
- Buildings and machinery & equipment \$2.8 million

On-going construction commitments include:

The water department is continuing its water line replacement program. Utility relocations have also begun for the Roswell Street improvement project. The City intends to capitalize the infrastructure assets and depreciate them over the estimated useful life.

Additional information on the City's capital assets can be found in Note 5 of this report. Construction commitments are currently included in the fund balance reserved for encumbrances for governmental funds.

Long-term debt. At June 30, 2011, the City of Marietta had the following outstanding long-term debt (principal amount):

- \$1.4 million 2009C School General Obligation Bonds
- \$6 million 2009B Public Safety Refunding Bonds
- \$22.1 million 2009A School Refunding Bonds
- \$24 million 2009D General Obligation Parks Bond

-
- \$5.37 million 2007 DMDA Revenue Bonds
 - \$150 thousand note payable for property
 - \$3.6 million capital lease funded through the City Club for the golf course
 - \$105 thousand capital leases for golf carts
 - \$6.84 million Series 2005 Tax Allocation District bonds
 - \$30.8 million Series 2009 Revenue Bonds City Wide Projects
 - The City has received a credit rating of Aa2 from Moody's Investor Services, Inc. and an AA+ rating from Standard & Poor's Corporation along with an AA+ rating from Fitch's Inc. The three agencies upgraded the City's ratings in 2010.

Georgia Revised Statutes provide for a general obligation debt limit of 10% of the assessed valuation. The City has a general obligation debt capacity of \$245 million at the end of fiscal year 2011.

Additional information on the City of Marietta's debt can be found in Notes 6 through 7.

Other Matters. The following factors are expected to have a significant effect on the City's financial position or results of operations and were taken into account in developing the fiscal year 2012 budget:

- In fiscal year 2003 the Georgia Department of Community Affairs (DCA) awarded the City of Marietta a grant for Roswell Street improvements of \$1,678,400 that has been supplemented by an additional \$720,000 grant from the Atlanta Regional Commission (ARC) in fiscal year 2004 and a second grant of \$800,000 in fiscal year 2005. The funding for this project will total approximately \$4 million over the three years, which includes the City's matching requirements for receiving the grants. The City needed to match 25% of the total project, which was funded from the Capital Project Fund.
- No fee increases were imposed for fiscal year 2012.
- Redevelopment efforts will continue to be a major focus of the City. The Marietta Redevelopment Corporation was established during fiscal year 2004, three Tax Allocation Districts have been established, a number of redevelopment projects are currently under construction.
- Increasing home ownership will also be a major focus of our redevelopment efforts. Several new mixed-use developments are planned such as the former

Johnny Walker homes site on Powder Springs Road, the Clay Homes redevelopment project and Emerson Overlook, both along Roswell Street near Marietta Square. These large-scale projects along with their surrounding neighborhoods will have a tremendous influence in revitalizing the City Center.

- The utility's capital improvement plan has committed millions of dollars toward the areas of redevelopment that are coming on line in the near future. The electrical utility plans to add a new substation with eight feeders on North Marietta Parkway, complete additional feeder projects along Powder Springs Street and Roswell Street, install underground facilities at Johnny Walker Homes, Manget Street, Clay Homes, and Wynhaven, and upgrade and convert Roswell Street from overhead to underground. Likewise, the water department will replace old water and sewer mains in these neighborhoods to meet the needs of these growing areas. Total capital budget for fiscal year 2012 is \$10 million.
- The Public Works has budgeted over \$10 million for transportation and road projects. Projects such as new road construction, general street, drainage and intersection improvements, sidewalk and multi-use trail construction, and street resurfacing and repairs are funded by collections from a 1% special purpose local option sales tax (SPLOST) enacted as of January 1, 2006.
- In developing the budget the City was anticipating the budget would slowly recover from the economic slowdown and predicted that revenues would not grow as they have in the past years and therefore cut budgeted operating expenses to zero growth in fiscal year 2012 for most departments.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Marietta's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 205 Lawrence Street, Marietta, GA 30060.

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BASIC FINANCIAL STATEMENTS

CITY OF MARIETTA, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Unit Marietta Redevelopment Corporation
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 27,263,432	\$ 557,986	\$ 27,821,418	\$ 802,745
Equity in pooled cash	9,943,544	700,635	10,644,179	-
Investments	39,816,749	35,241,690	75,058,439	4,990,554
Inventories	102,295	3,122,245	3,224,540	-
Receivables, net	1,108,088	17,207,478	18,315,566	-
Internal balances	22,760,180	(22,760,180)	-	-
Internal balances - fiduciary funds	(64,998)	-	(64,998)	-
Due from other governments	25,704,057	-	25,704,057	-
Prepaid items	39,159	11,473	50,632	30
Other assets, net	1,123,051	3,794,733	4,917,784	-
Capital assets, non depreciated	14,619,899	8,752,260	23,372,159	-
Capital assets, depreciated, net	60,718,918	140,680,084	201,399,002	-
Total assets	203,134,374	187,308,404	390,442,778	5,793,329
Liabilities:				
Accounts payable and other current liabilities	6,125,360	11,768,153	17,893,513	3,718
Claims and judgements payable	2,609,984	-	2,609,984	-
Unearned revenue	63,096	1,761,337	1,824,433	-
Noncurrent liabilities:				
Due within one year	14,924,357	1,086,044	16,010,401	4,090,656
Due in more than one year	113,417,511	17,756,022	131,173,533	-
Total liabilities	137,140,308	32,371,556	169,511,864	4,094,374
Net Assets				
Invested in capital assets, net of related debt	58,835,173	145,968,231	204,803,404	-
Restricted for:				
Debt service	5,492,241	-	5,492,241	-
Capital projects	16,304,800	-	16,304,800	-
Culture and recreation	777,837	-	777,837	-
Urban redevelopment and housing	2,197,725	-	2,197,725	-
Public safety	1,889,091	-	1,889,091	-
Unrestricted	(19,502,801)	8,968,617	(10,534,184)	1,698,955
Total net assets	\$ 65,994,066	\$ 154,936,848	\$ 220,930,914	\$ 1,698,955

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Assets			Component Unit Marietta Redevelopment Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 8,679,032	\$ 8,801,103	\$ 6,500	\$ -	\$ 128,571	\$ -	\$ 128,571	
Public works	14,222,761	3,486,058	-	10,027,259	(709,444)	-	(709,444)	
Culture and recreation	2,934,820	280,347	25,935	-	(2,628,538)	-	(2,628,538)	
Public safety	33,226,781	176,931	1,721,412	172,341	(31,156,097)	-	(31,156,097)	
Urban redevelopment and housing	5,879,557	632,081	6,541,232	4,836	1,298,592	-	1,298,592	
Interest & fiscal charges on long-term debt	4,857,635	-	1,049,207	-	(3,808,428)	-	(3,808,428)	
Total governmental activities	69,800,586	13,376,520	9,344,286	10,204,436	(36,875,344)	-	(36,875,344)	
Business-type activities:								
Water & Sewer	25,841,087	33,710,588	-	77,154	-	7,946,655	7,946,655	
Electric	90,902,721	102,199,136	-	-	-	11,296,415	11,296,415	
Golf	1,577,086	1,629,928	-	-	-	52,842	52,842	
Conference Center	1,551,818	2,240,303	-	-	-	688,485	688,485	
Total business-type activities	119,872,712	139,779,955	-	77,154	-	19,984,397	19,984,397	
Total Primary Government	\$ 189,673,298	\$ 153,156,475	\$ 9,344,286	\$ 10,281,590	\$ (36,875,344)	\$ 19,984,397	\$ (16,890,947)	
Component Unit:								
Marietta Redevelopment Corporation	270,776	67,125	-	-				(203,651)
Total Component Units	\$ 270,776	\$ 67,125	\$ -	\$ -				\$ (203,651)
General Revenues:								
Property Taxes					13,806,851	-	13,806,851	-
Insurance premium tax					3,162,511	-	3,162,511	-
Alcohol taxes					743,152	-	743,152	-
Hotel, motel tax					1,906,431	-	1,906,431	-
Franchise taxes					5,813,654	-	5,813,654	-
Auto rental tax					374,996	-	374,996	-
Unrestricted investment earnings					205,966	539,567	745,533	14,968
Gain on sale of capital assets					64,599	444,084	508,683	-
Operating grants not restricted to a specific program					2,038,348	-	2,038,348	-
Transfers					10,307,493	(10,307,493)	-	-
Total general revenues and transfers					38,424,001	(9,323,842)	29,100,159	14,968
Change in net assets					1,548,657	10,660,555	12,209,212	(188,683)
Net assets - beginning, before restatement					64,445,409	136,176,069	200,621,478	1,887,638
Restatement					-	8,100,224	8,100,224	-
Net assets - beginning					64,445,409	144,276,293	208,721,702	1,887,638
Net assets - ending					\$ 65,994,066	\$ 154,936,848	\$ 220,930,914	\$ 1,698,955

CITY OF MARIETTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Debt Service	SPLOST Fund	Citywide Projects Fund	City Parks Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 552,239	\$ 142,454	\$ 4,465,630	\$ -	\$ 9,433,225	\$ 1,670,334	\$ 16,263,882
Cash with fiscal agent	560	-	-	8,679,512	-	1,632,604	10,312,676
Equity in pooled cash	8,150,757	259,023	34,242	-	-	1,499,522	9,943,544
Investments	8,356,995	4,459,405	7,233,335	-	12,884,713	420,551	33,354,999
Receivables, net	639,577	264,359	-	-	-	88,122	992,058
Prepaid items	39,159	-	-	-	-	-	39,159
Due from other funds	4,710,643	561,896	-	-	-	-	5,272,539
Advances to other funds	20,379,779	-	-	-	-	-	20,379,779
Due from other governments	529,495	29,775	2,121,935	-	-	721,410	3,402,615
Inventories	28,248	-	-	-	-	-	28,248
Total assets	<u>\$43,387,452</u>	<u>\$5,716,912</u>	<u>\$13,855,142</u>	<u>\$8,679,512</u>	<u>\$22,317,938</u>	<u>\$ 6,032,543</u>	<u>\$ 99,989,499</u>
<u>Liabilities and fund balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ 1,626,158	\$ -	\$ 810,166	\$ -	\$ 130,780	\$ 60,466	\$ 2,627,570
Retainage payable	17,154	-	191,611	-	63,615	13,804	286,184
Accrued liabilities	504,200	-	-	-	-	-	504,200
Due to other funds	159,918	-	-	16	-	29,607	189,541
Due to other governments	879	-	-	-	-	-	879
Deferred revenue	382,665	224,671	-	-	-	268,297	875,633
Total liabilities	<u>2,690,974</u>	<u>224,671</u>	<u>1,001,777</u>	<u>16</u>	<u>194,395</u>	<u>372,174</u>	<u>4,484,007</u>
<u>Fund balances:</u>							
Nonspendable	20,447,186	-	-	-	-	-	20,447,186
Restricted	2,661,721	5,492,241	12,853,365	8,679,496	22,123,543	5,660,369	57,470,735
Committed	9,388	-	-	-	-	-	9,388
Assigned	1,579,824	-	-	-	-	-	1,579,824
Unassigned	15,998,359	-	-	-	-	-	15,998,359
Total fund balances	<u>40,696,478</u>	<u>5,492,241</u>	<u>12,853,365</u>	<u>8,679,496</u>	<u>22,123,543</u>	<u>5,660,369</u>	<u>95,505,492</u>
Total liabilities and fund balances	<u>\$43,387,452</u>	<u>\$5,716,912</u>	<u>\$13,855,142</u>	<u>\$8,679,512</u>	<u>\$22,317,938</u>	<u>\$ 6,032,543</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	74,649,134
Revenues earned but unavailable are not reported in the funds.	812,537
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Receivable from other governments	22,293,615
Unamortized bond issue costs	1,123,051
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The assets and liabilities of the internal service funds and a receivable from business type activities are included in governmental activities in the statement of net assets.	1,816,175
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Net OPEB obligation	(22,094,593)
Net pension obligation	(783,601)
Unmatured bonds	(96,553,790)
Unamortized deferred loss on refunding	1,201,986
Unamortized bond premium	(6,755,189)
Accrued compensated absences	(2,856,630)
Accrued interest payable	(1,893,313)
Loans payable	(470,808)
Net assets of governmental activities	<u>\$ 65,994,066</u>

CITY OF MARIETTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Debt Service	SPLOST Fund	Citywide Projects Fund	City Parks Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 17,170,590	\$ 5,976,288	\$ -	\$ -	\$ -	\$ 2,642,911	\$ 25,789,789
Licenses and permits	5,410,991	-	-	-	-	-	5,410,991
Intergovernmental	3,923,591	3,693,625	9,884,492	-	-	6,852,879	24,354,587
Charges for services	4,096,531	-	-	-	-	-	4,096,531
Fines and forfeits	3,257,284	-	-	-	-	-	3,257,284
Investment earnings	119,414	20,204	8,350	195	3,628	8,236	160,027
Other	700,801	-	-	-	9,600	-	710,401
Total revenues	34,679,202	9,690,117	9,892,842	195	13,228	9,504,026	63,779,610
Expenditures:							
Current:							
General government	7,416,234	-	-	-	-	-	7,416,234
Public works	6,850,806	-	-	-	-	390,226	7,241,032
Culture and recreation	3,976,597	-	-	-	-	-	3,976,597
Public safety	26,078,985	-	-	-	-	467	26,079,452
Urban redevelopment and housing	-	-	-	-	-	5,879,557	5,879,557
Debt service:							
Principal retirement	919,897	7,285,000	3,775,000	-	-	541,904	12,521,801
Interest & fiscal charges	1,409,769	2,515,966	339,280	-	-	309,251	4,574,266
Capital projects	-	-	7,308,067	-	1,887,740	30,146	9,225,953
Total expenditures	46,652,288	9,800,966	11,422,347	-	1,887,740	7,151,551	76,914,892
Excess (deficiency) of revenues over expenditures	(11,973,086)	(110,849)	(1,529,505)	195	(1,874,512)	2,352,475	(13,135,282)
Other financing sources (uses):							
Sale of capital assets	64,599	-	-	-	-	-	64,599
Transfers in	28,990,961	-	-	-	-	-	28,990,961
Transfers out	(5,916,368)	(25,236)	-	(13,167,407)	-	(2,313,740)	(21,422,751)
Total other financing sources (uses)	23,139,192	(25,236)	-	(13,167,407)	-	(2,313,740)	7,632,809
Net change in fund balance	11,166,106	(136,085)	(1,529,505)	(13,167,212)	(1,874,512)	38,735	(5,502,473)
Fund balances at beginning of year, as restated	29,530,372	5,628,326	14,382,870	21,846,708	23,998,055	5,621,634	101,007,965
Fund balances at end of year	\$ 40,696,478	\$ 5,492,241	\$ 12,853,365	\$ 8,679,496	\$ 22,123,543	\$ 5,660,369	\$ 95,505,492

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds	\$ (5,502,473)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss.

Depreciation expense	(5,535,993)	
Capital outlays	<u>11,310,210</u>	5,774,217

Receipts of long-term receivables are reported as revenues in the governmental funds but entering into a long-term receivable agreement is included in the Statement of Net Assets:

Receipts of long-term receivables	(2,661,410)
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The issuance of long-term debt provides current financial resources and the repayment of principal on long-term debt consumes current financial resources in the governmental funds.

Matured principal on bonds payable	12,466,904
Matured principal on note payable	54,897

The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(173,875)
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Internal service funds are used by management to charge the costs of fleet management and self-insurance to individual funds.	42,183
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of bond issuance costs, bond premium, and loss on bond refunding	408,461	
Actuarial costs in excess of pension contributions	(455)	
Actuarial costs in excess of OPEB contributions	(8,005,833)	
Accrued interest expense	(701,430)	
Accrued compensated absences	<u>(152,529)</u>	<u>(8,451,786)</u>

Change in net assets of governmental activities	<u><u>\$ 1,548,657</u></u>
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CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Major				Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course	Totals	
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 554,252	\$ -	\$ 3,734	\$ 557,986	\$ 686,874
Equity in pooled cash	700,635	-	-	700,635	-
Investments	27,644,072	59	-	27,644,131	6,461,750
Receivables, net	17,194,972	-	12,506	17,207,478	116,030
Due from other funds	6,843,012	127,968	-	6,970,980	-
Due from other governments	-	-	-	-	7,827
Inventories, at cost	2,997,457	124,788	-	3,122,245	74,047
Prepaid expense	6,151	-	5,322	11,473	-
Total current assets	55,940,551	252,815	21,562	56,214,928	7,346,528
Noncurrent assets:					
Restricted assets:					
Investments	7,597,559	-	-	7,597,559	-
Total noncurrent assets	7,597,559	-	-	7,597,559	-
Property, plant and equipment:					
Land and land improvements	1,382,976	769,284	6,600,000	8,752,260	496,340
Buildings and improvements	15,913,521	23,326,210	2,033,342	41,273,073	-
Electrical plant in service	106,031,046	-	-	106,031,046	-
Water and sewer system	77,993,202	-	-	77,993,202	-
Machinery and equipment	50,833,441	12,354,692	3,618,466	66,806,599	1,021,735
	252,154,186	36,450,186	12,251,808	300,856,180	1,518,075
Less: accumulated depreciation	(128,418,760)	(18,686,786)	(4,318,290)	(151,423,836)	(828,392)
Net property, plant and equipment	123,735,426	17,763,400	7,933,518	149,432,344	689,683
Other assets:					
Unamortized costs	-	-	64,767	64,767	-
Investment	3,729,966	-	-	3,729,966	-
Net other assets	3,729,966	-	64,767	3,794,733	-
Total noncurrent assets	135,062,951	17,763,400	7,998,285	160,824,636	689,683
Total assets	\$ 191,003,502	\$ 18,016,215	\$ 8,019,847	\$ 217,039,564	\$ 8,036,211

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS (CONT'D)
JUNE 30, 2011

	Major				Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course	Totals	
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 10,876,129	\$ -	\$ 53,970	\$ 10,930,099	\$ 802,149
Accrued salaries	221,411	-	-	221,411	11,065
Accrued sales tax	568,256	-	-	568,256	-
Accrued compensated absences	310,585	-	-	310,585	13,384
Due to other funds	-	8,209,375	1,211,187	9,420,562	2,698,414
Capital lease obligations	-	-	775,459	775,459	-
Accrued interest payable	-	-	48,387	48,387	-
Claims and judgements payable	-	-	-	-	2,609,984
Total current liabilities:	<u>11,976,381</u>	<u>8,209,375</u>	<u>2,089,003</u>	<u>22,274,759</u>	<u>6,134,996</u>
Long-term liabilities (net of current portion):					
Accrued compensated absences	517,268	-	-	517,268	15,859
Deferred revenue	1,761,337	-	-	1,761,337	-
Net pension obligation	304,734	-	-	304,734	-
Net OPEB obligation	6,647,807	-	-	6,647,807	-
Customer deposits	7,597,559	-	-	7,597,559	-
Advances from other funds	-	20,379,779	-	20,379,779	-
Capital lease obligations	-	-	2,688,654	2,688,654	-
Total long-term liabilities	<u>16,828,705</u>	<u>20,379,779</u>	<u>2,688,654</u>	<u>39,897,138</u>	<u>15,859</u>
Total liabilities	<u>28,805,086</u>	<u>28,589,154</u>	<u>4,777,657</u>	<u>62,171,897</u>	<u>6,150,855</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	123,735,426	17,763,400	4,469,405	145,968,231	689,683
Unrestricted	<u>38,462,990</u>	<u>(28,336,339)</u>	<u>(1,227,215)</u>	<u>8,899,436</u>	<u>1,195,673</u>
Total net assets	<u>\$ 162,198,416</u>	<u>\$ (10,572,939)</u>	<u>\$ 3,242,190</u>	<u>154,867,667</u>	<u>\$ 1,885,356</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				<u>69,181</u>	
Net assets of business-type activities				<u>\$ 154,936,848</u>	

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	Major				Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course	Totals	
Operating revenues:					
Charges for services	\$ 134,613,838	\$ -	\$ 1,629,928	\$ 136,243,766	\$ 3,189,132
Lease income	-	2,240,303	-	2,240,303	-
Other	1,285,282	-	-	1,285,282	173,473
Contributions	-	-	-	-	8,677,255
Total operating revenues	<u>135,899,120</u>	<u>2,240,303</u>	<u>1,629,928</u>	<u>139,769,351</u>	<u>12,039,860</u>
Operating expenses:					
Personal services	17,034,367	-	-	17,034,367	731,265
Operating	92,147,147	951	1,230,589	93,378,687	4,585,334
Other	902,900	-	-	902,900	-
Depreciation	6,156,132	1,508,891	194,953	7,859,976	43,364
Benefits and claims	-	-	-	-	8,712,727
Total operating expenses	<u>116,240,546</u>	<u>1,509,842</u>	<u>1,425,542</u>	<u>119,175,930</u>	<u>14,072,690</u>
Operating income (loss)	<u>19,658,574</u>	<u>730,461</u>	<u>204,386</u>	<u>20,593,421</u>	<u>(2,032,830)</u>
Nonoperating revenues (expenses):					
Investment earnings	539,566	1	-	539,567	54,404
Interest and fiscal charges	-	(41,976)	(151,544)	(193,520)	-
Gain (loss) on sale of capital assets	444,084	-	-	444,084	-
Other	10,604	-	-	10,604	(1,221,939)
Total nonoperating revenues (expenses)	<u>994,254</u>	<u>(41,975)</u>	<u>(151,544)</u>	<u>800,735</u>	<u>(1,167,535)</u>
Contributed capital from developers	<u>77,154</u>	<u>-</u>	<u>-</u>	<u>77,154</u>	<u>-</u>
Income (loss) before transfers	<u>20,729,982</u>	<u>688,486</u>	<u>52,842</u>	<u>21,471,310</u>	<u>(3,200,365)</u>
Transfers					
Transfers in	15,323,646	564,325	398,670	16,286,641	3,370,198
Transfers out	<u>(27,132,335)</u>	<u>-</u>	<u>(25,020)</u>	<u>(27,157,355)</u>	<u>(67,694)</u>
Total transfers	<u>(11,808,689)</u>	<u>564,325</u>	<u>373,650</u>	<u>(10,870,714)</u>	<u>3,302,504</u>
Change in net assets	8,921,293	1,252,811	426,492	10,600,596	102,139
Net assets at beginning of year, as restated	<u>153,277,123</u>	<u>(11,825,750)</u>	<u>2,815,698</u>		<u>1,783,217</u>
Net assets at end of year	<u>\$ 162,198,416</u>	<u>\$ (10,572,939)</u>	<u>\$ 3,242,190</u>		<u>\$ 1,885,356</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				<u>59,959</u>	
Change in net assets of business-type activities				<u>\$ 10,660,555</u>	

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	Major				Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course	Totals	
Cash flows from operating activities:					
Cash received from customers	\$ 138,710,978	\$ -	\$ 1,627,555	\$ 140,338,533	\$ 11,919,935
Cash received from other operating activities	1,285,282	-	-	1,285,282	-
Cash payments goods and services	(93,213,339)	(6,741)	(1,196,507)	(94,416,587)	(4,804,365)
Cash payments for benefits and claims and fringe benefits	(14,604,988)	-	-	(14,604,988)	(9,002,211)
Cash payments for other operating activities	-	-	-	-	159,858
Cash received from lease	-	2,240,303	-	2,240,303	-
Cash received from (payments to) other funds	-	-	-	-	(3,120,749)
Net cash from (to) operating activities	32,177,933	2,233,562	431,048	34,842,543	(4,847,532)
Cash flows from noncapital financing activities:					
Transfers in	15,323,646	564,325	398,670	16,286,641	3,370,198
Transfers out	(27,132,335)	-	(25,020)	(27,157,355)	(67,694)
Net cash from (to) noncapital financing	(11,808,689)	564,325	373,650	(10,870,714)	3,302,504
Cash flows from capital and related financing activities:					
Payments for capital acquisitions	(10,478,920)	-	(5,000)	(10,483,920)	(1,226,044)
Advances from (to) other funds	6,522,926	(2,804,627)	-	3,718,299	-
Proceeds from asset sales	444,084	-	-	444,084	-
Cash received from other funds	-	183,416	-	183,416	-
Payments on capital leases	-	-	(659,009)	(659,009)	-
Interest and fiscal charges	-	(186,658)	(143,935)	(330,593)	-
Net cash from (to) capital and related financing activities	(3,511,910)	(2,807,869)	(807,944)	(7,127,723)	(1,226,044)
Cash flows from investing activities:					
Rental income received (paid)	10,604	-	-	10,604	-
Investment income received (paid)	478,291	1	-	478,292	50,078
Investment (purchases) sales	(18,139,456)	-	-	(18,139,456)	(2,198,658)
Net cash from (to) investing activities	(17,650,561)	1	-	(17,650,560)	(2,148,580)
Net increase (decrease) in cash and cash equivalents	(793,227)	(9,981)	(3,246)	(806,454)	(4,919,652)
Cash and cash equivalents at beginning of year:					
Cash	1,630,703	-	6,980	1,637,683	5,606,526
Equity in pooled cash	417,411	9,981	-	427,392	-
Total cash and cash equivalents, beginning of year	2,048,114	9,981	6,980	2,065,075	5,606,526
Cash and cash equivalents at end of year:					
Cash	554,252	-	3,734	557,986	686,874
Equity in pooled cash	700,635	-	-	700,635	-
Total cash and cash equivalents, end of year	\$ 1,254,887	\$ -	\$ 3,734	\$ 1,258,621	\$ 686,874

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	Major				Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course	Totals	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 19,658,574	\$ 730,461	\$ 204,386	\$ 20,593,421	\$ (2,032,830)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	6,156,132	1,508,891	194,953	7,859,976	43,364
Advances reclassified as Due from other Funds	2,364,628	-	-	2,364,628	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	(2,373)	(2,373)	-
(Increase) decrease in contributions receivable	-	-	-	-	42,601
(Increase) decrease in utility accounts receivable	(331,556)	-	-	(331,556)	-
(Increase) decrease in due from other funds	468,757	-	-	468,757	-
(Increase) decrease in inventories	(151,459)	(5,790)	-	(157,249)	27,918
(Increase) decrease in prepaid expense	(6,151)	-	(5,133)	(11,284)	-
(Increase) decrease in net pension asset/obligation	108,948	-	-	108,948	-
(Increase) decrease in due from other governments	-	-	-	-	(2,668)
Increase (decrease) in accounts payable	49,527	-	(19,462)	30,065	489,725
Increase (decrease) in accrued salaries	(210,040)	-	-	(210,040)	(10,888)
Increase (decrease) in accrued sales tax	(55,209)	-	-	(55,209)	-
Increase (decrease) in accrued compensated absences	33,060	-	-	33,060	5,528
Increase (decrease) in net OPEB obligation	2,497,411	-	-	2,497,411	-
Increase (decrease) in due to other funds	-	-	58,677	58,677	(3,857,423)
Increase (decrease) in deferred revenue	1,244,997	-	-	1,244,997	-
Increase (decrease) in customer deposits	350,314	-	-	350,314	-
Increase (decrease) in claims and judgments payable	-	-	-	-	447,141
Net cash from (to) operating activities	<u>\$ 32,177,933</u>	<u>\$ 2,233,562</u>	<u>\$ 431,048</u>	<u>\$ 34,842,543</u>	<u>\$ (4,847,532)</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During 2011, assets contributed by developers totaled \$77,154 in the Board of Lights and Waterworks.

During 2011, \$2,364,628 in Advances were reclassified as Due from other Funds since the City intends to repay this amount by June 30, 2012 in the Board of Lights and Waterworks.

During 2011, \$4,392,336 of Advances in the MCCR Fund were reclassified as Due to other Funds since the City intends to repay this amount by June 30, 2012.

CITY OF MARIETTA, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	OPEB Trust Fund	Pension Trust Fund
<u>Assets</u>		
Cash and cash equivalents	\$436,501	\$ 5,253,885
Due from other funds	64,998	-
Receivables:		
Accrued interest	-	296,275
Contributions:		
Employer	-	73,102
Total receivables	-	369,377
Investments, at fair value		
United States government securities	-	11,183,011
Corporate notes and debentures	-	19,174,324
Common stock	-	34,610,073
Mutual funds	-	5,894,967
Convertible preferred stock	-	1,055,164
Total investments	-	71,917,539
Total assets	501,499	77,540,801
<u>Liabilities</u>		
Accrued expenses	417	120,896
Total liabilities	417	120,896
Net assets:		
Held in trust for:		
OPEB benefits (See required supplementary information)	501,082	-
Pension benefits (See required supplementary information)	-	77,419,905
Total Net Assets	\$ 501,082	\$ 77,419,905

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	OPEB Trust Fund	Pension Trust Fund
Additions:		
Employer contributions	\$ -	\$ 5,269,416
Employee contributions	-	1,255,079
Contributions from others	185,376	-
	<u>185,376</u>	<u>6,524,495</u>
Investment income (expenses):		
Net appreciation (depreciation) of fair value of investments	-	11,167,488
Interest and dividends	255	1,858,945
	<u>255</u>	<u>13,026,433</u>
Total investment income	255	13,026,433
Less investment expenses	-	(435,594)
	<u>-</u>	<u>(435,594)</u>
Net investment income (expenses)	255	12,590,839
	<u>255</u>	<u>12,590,839</u>
Total additions	185,631	19,115,334
	<u>185,631</u>	<u>19,115,334</u>
Deductions:		
Pension benefits paid	-	7,673,226
Administrative costs	5,000	124,648
	<u>5,000</u>	<u>7,797,874</u>
Total deductions	5,000	7,797,874
	<u>5,000</u>	<u>7,797,874</u>
Change in net assets	180,631	11,317,460
	<u>180,631</u>	<u>11,317,460</u>
Net assets - beginning of year	320,451	66,102,445
	<u>320,451</u>	<u>66,102,445</u>
Net assets - end of year	\$ 501,082	\$77,419,905
	<u>\$ 501,082</u>	<u>\$77,419,905</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The accounting methods and procedures adopted by the City of Marietta, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Marietta (City) was created in 1852 and operates under an elected Mayor/Council form of government. The City's major operations include social services, public safety, fire protection, culture-recreation, regulation and control of the water, light, and sewer systems, highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of the City of Marietta (the primary government) and its component unit. The component unit discussed below is included in the reporting entity because of the significance of their operational or financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity", which was adopted by the City as of July 1, 1993, the financial statements of the component unit has been included as a discretely presented component unit. The component unit column in the government-wide financial statements includes the financial data for the City's component unit, as reflected in their most recent audited financial statements. The fiscal year end of the component unit is June 30. Financial information of the component unit is reported in a column separate from the City's financial information to emphasize that they are legally separate from the City.

A brief description of the discretely presented component unit is as follows:

Marietta Redevelopment Corporation:

The Marietta Redevelopment Corporation was created by the City of Marietta, pursuant to the Downtown Development Authorization Law (Chapter 42 of Title 36 of the Official Code of Georgia) in February 2003. It was incorporated on February 12, 2003 and was granted tax exempt status by the Internal Revenue Code of 1986. The Internal Revenue Service determined that the Corporation is not a private foundation under Section 509(a) of the Code. The purpose of the Corporation is to strengthen the economic and residential base of the City of Marietta by reutilizing property for neighborhood and community redevelopment and other public purposes.

The City Council appoints all members of the Board of Directors of the Corporation. The City provides a majority of the Corporation's resources.

The Corporation did not issue separate Component Unit Financial Statements. Financial information for the Corporation is included in the City of Marietta's Comprehensive Annual Financial Report. An annual budget is not adopted for the Corporation.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The City's financial statements had previously included the Marietta Welcome Center and Visitors Bureau, Inc. (MWCVB) as a component unit of the City. However, the financial information of the MWCVB is not material to the City and therefore is not included in the current year presentation.

Related Organization: The Marietta Housing Authority is a related organization which has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Board consists of five members appointed by the City Council; however, the City does not have the ability to impose its will or have a financial benefit or burden relationship. The Department of Housing and Urban Development subsidizes Housing Authority operations and sets rates charged for housing. The debts of the Housing Authority are not secured by the City and deficits are not financed by the City. No budgetary or financial relationship exists between the City of Marietta and the Marietta Housing Authority.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable. The City's net assets are reported in three parts- invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except intergovernmental revenue to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue is considered available if it is collected within 9 months after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when a payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources restricted for, and the payment of, general long-term debt principal, interest and related costs.

SPLOST Fund - The SPLOST fund accounts for the proceeds received from Cobb County Special Purpose Local Option Sales Tax collections to be used for transportation, sidewalks, and public safety radio system improvements within the City that were approved by voter referendum.

Citywide Projects Fund - The Citywide Projects Fund accounts for the expenditure of revenue bond proceeds that are restricted for the construction of major projects and equipment and vehicles within the City.

City Parks Bond Fund - The City Parks Bond Fund accounts for the proceeds of the 2009 Park Bond referendum that are restricted for land acquisition; improvements to existing parks, facilities, trails and greenspace; development of new parks; administration fees and contingencies.

The government reports the following major proprietary funds:

The Board of Lights and Waterworks Fund accounts for the operations of the electric and water distribution, and sewer collection services.

The Marietta Conference Center and Resort Fund accounts for the assets of the City's conference center.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources that are restricted for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Enterprise Funds - Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business.

Internal Service Funds - Internal Service Funds account for services performed by a central service department for other departments or agencies of the governmental unit. The City has a Self-Insurance internal service fund which is used for the purpose of providing self-funding for casualty, liability, workers' compensation and medical claims. The City also has a Motor Transport internal service fund which is used to provide repair and maintenance services for vehicles owned by various City departments.

Trust Funds - Trust Funds account for assets held by the City in a trustee capacity for individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase and the SPLOST & City Parks Bond Funds adopt project length budgets. Investment earnings are not budgeted for in the HUD-Housing Assistance Payments Program, Local Law Enforcement Block Grant, and Local Option Sales Tax Funds. Certain expenditures are not budgeted in the Local Law Enforcement Block Grant. Certain intergovernmental revenues are budgeted as tax revenues in the Tax Allocation District Fund. Actual GAAP expenditures and revenues in the General, Special Revenue, Debt Service, and Capital Projects Funds have been adjusted to the budgetary basis for comparison within this report.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

General Fund; Special Revenue Funds; Debt Service Fund; Capital Project Funds:

1. Prior to May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts among divisions within departments within any fund; however, any revisions that alter the total expenditures of any department must be approved by the City Council. During fiscal year 2011, approximately \$1.143 million in appropriations for expenditures were made in the governmental type funds.

The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above legally adopted budgets is at the department level.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the City Council. For budgetary comparison purposes presented in this report, actual amounts have been adjusted to the non-GAAP budgetary basis when necessary.

Unencumbered appropriations lapse at year end.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end are treated as expenditures on the budgetary basis of accounting.

E. Cash and Investments

Cash and cash equivalents include amounts in demand deposits and all highly liquid investments with a maturity of three months or less when purchased. Equity in Pooled Cash represents each fund's equity share of total pooled cash held in a demand deposit account at a local financial institution. For purposes of the statement of cash flows, cash and cash equivalents includes both of these categories.

Investments are stated at fair value. Fair value of the external investment pool, Georgia Fund I, is equal to the value of the pool shares. The Office of the State Treasurer is the oversight agency for Georgia Fund I.

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government Agency obligations, State of Georgia obligations, obligations of other municipalities, and repurchase agreements. The Pension Trust is authorized to invest in corporate bonds, domestic common stocks, and equity real estate through pooled investment accounts.

The City invests in an external investment pool, the Municipal Competitive Trust, which is administered by the Municipal Electric Authority of Georgia ("MEAG"), a governmental entity. The City is a beneficiary of this trust. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia. The fair value of the City's position in the pool changes with market conditions, and is calculated based on the fair market value of net assets held in the pool at the close of each business day.

See Note 2 for additional information regarding Cash and Investments.

F. Short-Term / Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method. Inventory in the Enterprise Funds consist of expendable supplies held for guest room supplies and items needed for repairs or improvements to the utility system. The cost is recorded as an asset at the time individual inventory items are purchased. The consumption method is used to account for inventories within the City's Funds.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's Funds.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASBS No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The City fully implemented the retroactive infrastructure provisions in the fiscal year ended June 30, 2006.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalization threshold for capital assets is \$1,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on a percentage basis or estimated useful life as follows:

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Board of Lights & Waterworks	Marietta City Golf Course	Conference Center and Resort	Motor Transport	Governmental Activities
Buildings	50 years	40 years	40 years	40 years	40 Years
Electric utility system	32 years	--	--	--	--
Machinery and equipment	3-10 years	15 years	5-7 years	5-25 years	5 years
Water and sewer utility system	90 years	--	--	--	--
Streets/Sidewalks/Storm sewers	--	--	--	--	20 years
Bridges	--	--	--	--	30 years

J. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF MARIETTA, GEORGIA
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L. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Council direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The implementation of GASB Statement No. 54 is further explained in Note 17 Accounting Changes.

M. Comparative Data/Reclassifications

Comparative total data of the prior years has been presented in the accompanying combining and individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain reclassifications have been made to the prior year columns to conform to the classifications used in the current year columns.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF MARIETTA, GEORGIA
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(2) DEPOSITS AND INVESTMENTS

Custodial Credit Risk –Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City limits its exposure to custodial credit risk by requiring deposits to be collateralized 110% in accordance with State law.

Deposits at one financial institution totaling \$20,012,911 were subject to custodial credit risk, whereby deposits totaling \$984,447 were uncollateralized at June 30, 2011. One financial institution used by the City collateralizes deposits using a single financial institution collateral pool. Information necessary to determine the custodial credit risk of deposits totaling \$7,589,453 held at this institution such as the fair value of the collateral in the pool and the total uninsured deposits covered by the pool could not be obtained by the City. Deposits at three financial institutions used by the City had not been collateralized at 110% in accordance with state law.

As of June 30, 2011, the City's reporting entity had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1 - 5	6 - 10	More than 10	
PRIMARY GOVERNMENT						
Georgia Fund 1	AAAm	\$ 909,119	\$ -	\$ -	\$ -	\$ 909,119
Municipal Competitive Trust	not rated	4,059,094	7,631,746	-	-	11,690,840
US Agencies	AAA	6,126,333	12,395,868	-	-	18,522,201
	not rated	317,092	49,889	-	1,552,021	1,919,002
Government Bonds	A	510,620	-	-	-	510,620
	AA+	-	1,503,076	-	-	1,503,076
	AAA	2,904,250	15,200,104	-	-	18,104,354
Total Primary Government (non-fiduciary)		14,826,508	36,780,683	-	1,552,021	53,159,212
FIDUCIARY FUNDS						
Common Stocks	n/a	n/a	n/a	n/a	n/a	34,610,073
Convertible Preferred Stocks	A-	-	-	-	252,162	252,162
	BB	-	-	-	126,900	126,900
	BBB-	-	-	-	58,016	58,016
	N/A	124,540	493,546	-	-	618,086
Equity Mutual Fund	N/A	5,894,967	-	-	-	5,894,967
Money Market Mutual Fund	AAA	4,975,526	-	-	-	4,975,526
Corporate Bonds	A+	-	1,419,125	601,147	84,595	2,104,867
	A	-	1,417,703	2,033,456	245,657	3,696,816
	AA	-	629,826	-	-	629,826
	AA+	-	216,790	77,508	79,241	373,539
	AAA	-	494,208	662,891	892,363	2,049,462
	A-	-	993,846	1,034,465	759,909	2,788,220
	AA-	-	964,231	234,183	175,656	1,374,070
	BBB+	-	655,256	627,056	574,199	1,856,511
	BBB	-	589,909	677,336	782,118	2,049,363
	BBB-	-	542,891	483,345	591,925	1,618,161
	BB+	-	45,150	-	95,713	140,863
	N/A	-	209,800	-	282,826	492,626
Government Bonds	AAA	-	2,128,728	1,185,831	3,623,948	6,938,507
US Agencies	AAA	-	254,702	1,001,547	2,988,255	4,244,504
Total Fiduciary Fund		\$ 10,995,033	\$ 11,055,711	\$ 8,618,765	\$ 11,613,483	\$ 76,893,065

CITY OF MARIETTA, GEORGIA
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Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the maximum maturity or average life by investment type of the investments of the primary government to 3 years. The City's investment policy limits the weighted average maturity of the fiduciary fund's fixed income portfolio to 10 years.

Credit Risk. The City does not have a formal policy addressing credit risk.

Custodial Credit Risk. This is the risk that in the event of failure by a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per the City's investment policy, the City manages its exposure to custodial credit risk by requiring all investment securities be secured through third-party custody and safekeeping procedures.

(3) RECEIVABLES

Receivables at June 30, 2011 for the government's individual major funds, and nonmajor and internal service funds in the aggregate consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 365,738	\$ 17,669	\$ 218,544	\$ 60,472	\$ (22,846)	\$ 639,577
Board of Lights and Waterworks Fund	-	187,917	17,505,055	-	(498,000)	17,194,972
Golf Fund	-	-	-	12,506	-	12,506
Debt Service Fund	262,229	6,974	-	-	(4,844)	264,359
Nonmajor and Other Funds	189,049	15,306	-	-	(203)	204,152
Total	<u>\$ 817,016</u>	<u>\$ 227,866</u>	<u>\$ 17,723,599</u>	<u>\$ 72,978</u>	<u>\$ (525,893)</u>	<u>\$ 18,315,566</u>

(4) INTERFUND RECEIVABLES, ADVANCES AND TRANSFERS

Interfund receivable and payable balances for the fiscal year ended June 30, 2011 are summarized as follows:

PAYABLE FROM	RECEIVABLE TO					Total
	General Fund	BLW	FIDUCIARY FUND	DEBT SERVICE	MCCR	
General Fund	\$ -	\$ 31,950	\$ -	\$ -	\$ 127,968	\$ 159,918
Citywide Projects Fund	-	16	-	-	-	16
Nonmajor Governmental	-	29,607	-	-	-	29,607
Golf Course	-	1,211,187	-	-	-	1,211,187
Internal Service	-	2,633,416	64,998	-	-	2,698,414
MCCR	4,710,643	2,936,836	-	561,896	-	8,209,375
Total	<u>\$ 4,710,643</u>	<u>\$ 6,843,012</u>	<u>\$ 64,998</u>	<u>\$ 561,896</u>	<u>\$ 127,968</u>	<u>\$ 12,308,517</u>

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. These balances are expected to be repaid within one year.

CITY OF MARIETTA, GEORGIA
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Advances from/to other funds for the current year were as follows:

ADVANCES FROM	ADVANCES TO
	MCCR
General Fund	\$ 20,379,779
Total	<u>\$ 20,379,779</u>

The amounts payable to the general fund relate to long-term receivables issued in the prior year. None of the balance is specifically scheduled to be collected in the subsequent year.

Interfund transfers for the current year were as follows:

Transfer in/to Primary Government:	Transfer out from							Total
	General Fund	Citywide Projects	Nonmajor Governmental	Debt Service	BLW	Internal Services	Golf Course	
General Fund	\$ -	\$ -	\$ 2,311,755	\$ 24,169	\$ 26,566,247	\$ 64,827	\$ 23,963	\$ 28,990,961
Internal Services	1,944,110	860,000	-	-	566,088	-	-	3,370,198
BLW	3,009,263	12,307,407	1,985	1,067	-	2,867	1,057	15,323,646
Golf Course	398,670	-	-	-	-	-	-	398,670
MCCR	564,325	-	-	-	-	-	-	564,325
Total	<u>\$ 5,916,368</u>	<u>\$ 13,167,407</u>	<u>\$ 2,313,740</u>	<u>\$ 25,236</u>	<u>\$ 27,132,335</u>	<u>\$ 67,694</u>	<u>\$ 25,020</u>	<u>\$ 48,647,800</u>

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, 2) move unrestricted BLW funds to the general fund to generate revenue to forestall the need for property tax increases, 3) to transfer revenues between various funds to the general fund and BLW fund for the indirect cost allocations to pay for services provided by either the general fund or BLW fund, 4) reimburse the BLW for bond project costs.

The City receives designated tax and pays it to the Component Unit to fund culture and recreation expense. Such payments are reported as expenditures/expenses and general revenues as appropriate.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,088,945	\$ 2,305,023	\$ -	\$ 13,393,968
Construction in progress	2,468,254	896,264	(2,138,587)	1,225,931
Total capital assets, not being depreciated:	<u>13,557,199</u>	<u>3,201,287</u>	<u>(2,138,587)</u>	<u>14,619,899</u>
Capital assets, being depreciated:				
Buildings	35,499,215	234,813	-	35,734,028
Improvements other than buildings	5,512,530	-	-	5,512,530
Machinery and equipment	35,176,774	966,842	(668,238)	35,475,378
Infrastructure	179,503,623	9,049,961	-	188,553,584
Total capital assets being depreciated	<u>255,692,142</u>	<u>10,251,616</u>	<u>(668,238)</u>	<u>265,275,520</u>
Less accumulated depreciation for:				
Buildings	(16,045,511)	(870,804)	-	(16,916,315)
Improvements other than buildings	(3,418,750)	(167,721)	-	(3,586,471)
Machinery and equipment	(31,821,237)	(1,085,082)	668,238	(32,238,081)
Infrastructure	(148,359,985)	(3,455,750)	-	(151,815,735)
Total accumulated depreciation	<u>(199,645,483)</u>	<u>(5,579,357)</u>	<u>668,238</u>	<u>(204,556,602)</u>
Total capital assets, being depreciated, net	<u>56,046,659</u>	<u>4,672,259</u>	<u>-</u>	<u>60,718,918</u>
Governmental activities capital assets, net	<u>\$ 69,603,858</u>	<u>\$ 7,873,546</u>	<u>\$ (2,138,587)</u>	<u>\$ 75,338,817</u>

CITY OF MARIETTA, GEORGIA
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	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,752,260	\$ -	\$ -	\$ 8,752,260
Capital assets, being depreciated:				
Buildings and improvements	41,187,588	85,485	-	41,273,073
Plant in service and water/sewer system	176,294,049	7,730,199	-	184,024,248
Machinery and equipment	64,061,209	2,745,390	-	66,806,599
Total capital assets being depreciated	281,542,846	10,561,074	-	292,103,920
Less accumulated depreciation for:				
Buildings and improvements	(16,158,330)	(887,594)	-	(17,045,924)
Plant in service and water/sewer system	(81,046,966)	(2,725,508)	-	(83,772,474)
Machinery and equipment	(46,358,563)	(4,246,875)	-	(50,605,438)
Total accumulated depreciation	(143,563,859)	(7,859,977)	-	(151,423,836)
Total capital assets, being depreciated, net	137,978,987	2,701,097	-	140,680,084
Business-type activities capital assets, net	\$ 146,731,247	\$ 2,701,097	\$ -	\$ 149,432,344

The beginning balances have been adjusted to correctly classify certain costs and accumulated depreciation amounts.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 147,145
Public safety	1,576,574
Public Works, including depreciation of general infrastructure assets	3,803,120
Culture and recreation	9,154
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	43,364
Total depreciation expense – governmental activities	\$ 5,579,357
Business-type activities:	
Water & Sewer	\$ 2,012,484
Electric	4,143,649
Conference Center	1,508,891
Golf	194,953
Total depreciation expense – business-type activities	\$ 7,859,977

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(6) LONG-TERM OBLIGATIONS

Operating Leases

The City has several operating leases for equipment that are not material.

Governmental Activities:

General Obligation Bonds:

General obligation bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2011:

\$25,270,000 Series 2009A General Obligation School Refunding serial bonds due in annual installments commencing February 1, 2010 of \$520,000 to \$710,000 through February 1, 2019; interest at 2.0 to 5.0 percent (\$22,110,000 outstanding at June 30, 2011). The bonds were issued to current refund the 2008 General Obligation School Refunding bond issue.

\$7,115,000 Series 2009B General Obligation Refunding serial bonds due in annual installments commencing July 1, 2010 of \$1,125,000 to \$950,000 through July 1, 2016; interest at 2.0 to 4.0 percent (\$5,990,000 outstanding at June 30, 2011). The bonds were issued to current refund the 2007 General Obligation Refunding bond issue.

\$5,240,000 Series 2009C General Obligation School Refunding serial bonds due in annual installments commencing June 1, 2010 of \$1,270,000 to \$1,405,000 through June 1, 2012; interest at 3.0 percent (\$1,405,000 outstanding at June 30, 2011). The bonds were issued to current refund the 2002 General Obligation School Refunding bond issue.

\$25,000,000 Series 2009D General Obligation Parks and Recreational Facilities serial bonds due in annual installments commencing July 1, 2010 of \$955,000 to \$1,415,000 through July 1, 2025; interest at 2.5 to 5.0 percent (\$16,015,000 outstanding at June 30, 2011). The issue includes a term bond due January 1, 2030, interest at 5.0 percent (\$8,030,000 outstanding). The bonds were issued to acquire, construct, and install park and recreational facilities.

A receivable from the Marietta School Board is reflected in the Statement of Net Assets. Payments will be received from the School Board to offset principal and interest payments on the Series 2009A bonds.

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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 6,260,000	\$ 2,289,000	\$ 8,549,000
2013	5,005,000	2,096,300	7,101,300
2014	5,145,000	1,977,350	7,122,350
2015	5,370,000	1,752,850	7,122,850
2016	5,150,000	1,523,225	6,673,225
2017-2021	13,250,000	4,755,600	18,005,600
2022-2026	6,810,000	2,681,700	9,491,700
2027-2030	6,560,000	838,000	7,398,000
Total	<u>\$ 53,550,000</u>	<u>\$ 17,914,025</u>	<u>\$ 71,464,025</u>

\$5,492,241 is available in the Debt Service Fund to service the general obligation bonds.

Tax Allocation District Bonds:

During fiscal year 2006, the City issued \$8,400,000 in limited obligations bonds to undertake certain redevelopment projects within a tax allocation district established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Marietta City Schools Board of Education. The property tax increments are pledged until the payment in full of the bonds. The bonds are due in annual installments commencing December 15, 2008 of \$499,195 to \$816,926 through December 15, 2020; interest rate at 4.19%. For the current year, principal and interest paid and total tax allocation incremental revenues were \$851,155 and \$1,017,606 respectively.

Year Ending June 30,	Principal	Interest	Total
2012	\$ 564,610	\$ 286,545	\$ 851,155
2013	588,267	262,888	851,155
2014	612,915	238,240	851,155
2015	638,596	212,559	851,155
2016	665,353	185,801	851,154
2017-2021	3,769,049	34,230	3,803,279
Total	<u>\$ 6,838,790</u>	<u>\$ 1,220,263</u>	<u>\$ 8,059,053</u>

CITY OF MARIETTA, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenue Bonds:

During fiscal year 2008, the Downtown Marietta Development Authority issued \$9,820,000 series 2007 Revenue Bonds (City of Marietta Project) for the purpose of financing the cost of acquiring, constructing, reconstructing, equipping, and improving public streets, sidewalks, and streetscape and median improvements in the City of Marietta. The debt service payments on the bonds are secured by the full faith and credit and taxing power of the City. The bonds are due in annual installments commencing June 1, 2010 of \$675,000 to \$5,370,000 through June 1, 2012; interest rate at 3.71%.

During fiscal year 2010, the Downtown Marietta Development Authority issued \$31,660,000 series 2009 Revenue Bonds (City of Marietta Project) for the purpose of financing the cost of certain replacements, additions, extensions and improvements to the electric and water and sewerage system which are operated by the City of Marietta. The debt service payments on the bonds are secured by the full faith and credit and taxing power of the City. The bonds are due in annual installments commencing July 1, 2010 of \$865,000 to \$1,900,000 through July 1, 2027; interest rates at 3.00% to 5.125%.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 6,800,000	\$ 1,549,533	\$ 8,349,533
2013	1,470,000	1,498,683	2,968,683
2014	1,530,000	1,430,077	2,960,077
2015	1,610,000	1,358,671	2,968,671
2016	1,675,000	1,084,322	2,759,322
2017-2021	9,495,000	4,322,525	13,817,525
2022-2026	11,685,000	1,883,625	13,568,625
2027	1,900,000	38,000	1,938,000
Total	<u>\$ 36,165,000</u>	<u>\$ 13,165,436</u>	<u>\$ 49,330,436</u>

Note Payable:

The City entered into a note agreement with a third party for \$800,000 during the fiscal year 2005 for the purchase of property. The note is payable in equal monthly installments of \$6,661 beginning August 2004 through June 2018. Interest on the note is at 5%. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 57,706	\$ 22,226	\$ 79,932
2013	60,658	19,274	79,932
2014	63,762	16,174	79,936
2015	67,023	12,911	79,934
2016	70,454	9,485	79,939
2017-2018	151,205	7,967	159,172
Total	<u>\$ 470,808</u>	<u>\$ 88,037</u>	<u>\$558,845</u>

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Business-Type Activities:

Capital Leases

A contract dated July 1, 1990 was supplemented and amended as of September 1, 1995 between the City and the Downtown Marietta Development Authority. This agreement obligates the City to make lease payments directly to the bond sinking fund custodian by December 15 and June 15 of each year for the purpose of paying the principal and interest on the unrefunded outstanding balance of the 1990 Golf Course Redevelopment and Acquisition Bonds and the 1995 Public Golf Course Refunding Revenue Bonds issued by the Authority, and subsequently, as refunded by the Series 2008 Golf Course Refunding Revenue Bonds. This contract enables the City to lease from the Authority the former Marietta Country Club facilities purchased by the Authority with the bond proceeds. The lease has been recorded as a direct financing lease in accordance with generally accepted accounting principles in the City Golf Course Enterprise Fund. This contract qualifies as a conduit debt obligation in accordance with Governmental Accounting Standards Board Interpretation - 2 Disclosure of Conduit Debt Obligations and therefore the obligation for the bonds is not reported on the financial statements of the Downtown Marietta Development Authority. The contract will not expire until full payment of the bonds on July 1, 2015, at which time ownership of the facilities will transfer to the City. The City will be responsible for all operations and maintenance cost of the facilities and will be entitled to all revenues generated by the facilities. Total assets associated with the City Club facilities that have been capitalized in the City Golf Course Enterprise Fund are \$12,251,808. Accumulated depreciation associated with these facilities is \$4,318,290.

On March 1, 2008, a lease agreement was entered into with Yamaha Motor Corporation for golf carts. The lease agreement is for 48 months and requires a balloon payment at the end of the lease. The lease qualifies as a capital lease and has been recorded in the Golf Course Operating Enterprise Fund. The amount capitalized for the carts is \$268,550. Accumulated depreciation associated with the golf carts is \$213,792.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2011:

Year ending June 30	City Club Golf Course & Carts
2012	\$ 875,264
2013	768,509
2014	769,699
2015	765,345
2016	775,581
Total minimum lease payments	3,954,398
Less amounts representing interest	(298,939)
Present value of lease payments	3,655,459
Less deferred loss on refunding	(191,346)
Total	\$ 3,464,113

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The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 60,835,000	\$ -	\$ (7,285,000)	\$ 53,550,000	\$ 6,260,000
Deferred amounts on refunding	(1,362,251)	-	160,265	(1,201,986)	-
Tax Allocation District Bonds	7,380,694	-	(541,904)	6,838,790	564,610
Unamortized bond premium	7,466,331	-	(711,142)	6,755,189	-
Revenue bonds	40,805,000	-	(4,640,000)	36,165,000	6,800,000
Note payable	525,705	-	(54,897)	470,808	57,706
Compensated absences	2,727,816	1,319,366	(1,161,309)	2,885,873	1,242,041
Pension obligation	783,146	4,215,988	(4,215,533)	783,601	-
OPEB obligation	14,088,760	9,701,080	(1,695,247)	22,094,593	-
Governmental activity Long-term liabilities	<u>\$ 133,250,201</u>	<u>\$ 15,236,434</u>	<u>\$ (20,144,767)</u>	<u>\$ 128,341,868</u>	<u>\$ 14,924,357</u>
Business-type activities:					
Capital leases	\$ 4,362,305	\$ -	\$ (706,846)	\$ 3,655,459	\$ 823,295
Deferred amounts on refunding	(239,182)	-	47,836	(191,346)	(47,836)
Compensated absences	794,793	336,761	(303,701)	827,853	310,585
Pension obligation	195,786	1,162,831	(1,053,883)	304,734	-
OPEB obligation	4,150,396	3,063,499	(566,088)	6,647,807	-
Customer Deposits	7,247,245	350,314	-	7,597,559	-
Business-type activity Long-term liabilities	<u>\$ 16,511,343</u>	<u>\$ 4,913,405</u>	<u>\$ (2,582,682)</u>	<u>\$ 18,842,066</u>	<u>\$ 1,086,044</u>

For Governmental Activities, compensated absences, pension and OPEB liabilities are typically liquidated in the general fund.

Component Unit:

The Marietta Redevelopment Corporation has a \$4,300,000 line of credit with a local financial institution, of which \$4,090,656 was outstanding at June 30, 2011. The line matures on March 20, 2012. The line of credit bears interest at a rate of prime plus 1%, not to exceed 5%. \$688,000 of the Redevelopment Corporation's cash balance serves as an interest reserve on the line of credit. The line is secured by the Redevelopment Corporation's investments.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(7) COMMITMENTS AND CONTINGENCIES

A. Litigation

The City of Marietta is a defendant in other various lawsuits at June 30, 2011. However, no additional accrual or disclosure of these lawsuits is required.

B. Commitments

Marietta Conference Center

On April 1, 1995, the City executed a Conference Center Funding Agreement with the Downtown Marietta Development Authority (the Authority). Under this agreement, the City pledged 30.25% of its hotel/motel tax collections to the Downtown Marietta Development Authority to be used solely for the principal and interest payments on the Downtown Marietta Development Authority Revenue Bond (the Marietta Conference Center Project), Series 1996A and 1996B, totaling \$25,810,000 which was issued by the Authority for the purpose of obtaining funds to pay the costs of acquiring, constructing, furnishing, and equipping the Marietta Conference Center, and the costs of issuing the bonds. The City, as an agent for the Authority, and Remington Hotel Corporation had entered into an agreement effective July 1, 2006 to lease the facilities of Marietta Conference Center and Resort. The lease was set to terminate on May 31, 2008 with three optional extensions through 2023. On March 1, 2008, the City, as agent for the Authority, entered into a new management agreement with Marietta Leasehold, L.P., a partnership including the former lessee, Remington Hotel Corporation, for the management of the renovation and operations of the conference center. The lease is effective January 1, 2008 and expires June 30, 2028. On March 6, 2008, additional bonds were issued and were referred to as The Marietta Conference Center Project Revenue Bonds, Series 2008 in the amount of \$7,000,000, for the improvement and renovation of the Conference Center and to implement the Hilton Hotels Corporation's Property Improvement Plan. The Lease agreement provides for the Marietta Leasehold, L.P. to pay to the City rent in the amount of \$2,240,303 per year payable in equal monthly installments in 2011. Future minimum rentals total \$ 2,803,800 for each of fiscal years 2012-2014. Hotel/motel taxes, from which the appropriations are made, have averaged \$2.3 million per year over the last 10 years. The agreement also provides for the City to receive additional rent payments equal to 3% of the amount, if any, that gross revenues exceed \$14 million. The agreement also provides for Marietta Leasehold, L.P to receive 30.25% of Hotel/Motel Taxes collected, up to a maximum of \$900,000. All property, plant, and equipment in the Marietta Conference Center and Resort fund are included in the lease. In fiscal year 2010, the 1996A, 1996B, 2003, and 2008 Bonds totaling \$29,375,000 were cancelled and discharged and the City's obligations under the related contracts with the Downtown Marietta Development Authority were terminated. The Marietta Conference Center operations are reported in an enterprise fund within the financial statements.

CITY OF MARIETTA, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Municipal Electric Authority of Georgia

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (the "Authority"). The contracts require the City to purchase from the Authority all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations, which extend approximately through the year 2056, are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$74,492,428 from the Authority during the year ended June 30, 2011. The City's future minimum payment obligations to the Authority will be based on the Authority's costs.

Encumbrances

Encumbrances outstanding as of June 30, 2011 are as follows:

General Fund	\$ 745,604
SPLOST	4,229,169
City Parks Bond	694,582
NonMajor Funds	55,841
	<u>\$ 5,725,196</u>

The City also has active construction projects at June 30, 2011.

(8) PROPERTY TAX

The City bills and collects its own real and personal property taxes. Ad valorem tax on motor vehicles and mobile homes is collected by the Cobb County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in August or September of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Taxes levied on August 25, 2010 were due on October 26, 2010.

Liens were attached to property for unpaid taxes on March 1, 2011.

Assessed values are established by the Cobb County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed value of property at January 1, 2010 was \$2,879,799,953.

Based on the 2010 City General, Debt Service, and Cemetery Maintenance millage levy of 5.23, a property owner would pay \$5.23 per \$1,000 of assessed valuation.

Current tax collections of \$12,111,605 for the fiscal year ended June 30, 2011 were 99.7 percent of the tax levy.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(9) FUND BALANCE

The composition of the City's fund balances is as follows:

	General Fund	Debt Service Fund	SPLOST Fund	Citywide Projects Fund	City Parks Bond Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Prepays	\$ 39,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,159
Inventory	28,248	-	-	-	-	-	28,248
Advances	20,379,779	-	-	-	-	-	20,379,779
Restricted for:							
Capital projects	-	-	12,853,365	8,679,496	22,123,543	700,056	44,356,460
Culture & recreation	590,143	-	-	-	-	-	590,143
Debt service	-	5,492,241	-	-	-	-	5,492,241
Urban redevelopment & housing	187,694	-	-	-	-	4,955,106	5,142,800
Public safety	1,883,884	-	-	-	-	5,207	1,889,091
Committed for:							
Culture & recreation	9,388	-	-	-	-	-	9,388
Assigned for:							
General government	382,717	-	-	-	-	-	382,717
Public works	461,670	-	-	-	-	-	461,670
Culture & recreation	304,839	-	-	-	-	-	304,839
Public safety	430,598	-	-	-	-	-	430,598
Unassigned	15,998,359	-	-	-	-	-	15,998,359
	<u>\$ 40,696,478</u>	<u>\$ 5,492,241</u>	<u>\$ 12,853,365</u>	<u>\$ 8,679,496</u>	<u>\$ 22,123,543</u>	<u>\$ 5,660,369</u>	<u>\$ 95,505,492</u>

(10) PENSION PLANS

The City withdrew from the Social Security system on December 31, 1980. The City of Marietta, Georgia Supplemental Pension plan was adopted in lieu of Social Security. A professional pension management company was selected as the providers of a money-purchase (defined contribution) pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Monthly contributions to the plan are equivalent to 6.13% of regular full-time employees' pay and are 100% contributed by the City. Total contributions to the plan for the fiscal years ended June 30, 2011 and 2010 were \$2,100,082 and \$2,042,878 respectively.

All regular full-time employees may be eligible for participation upon completing one continuous year of service. Amounts paid in to the plan become 100% vested in each employee's behalf. Funds accumulated in this plan shall be paid to employees only upon retirement, death, disability or termination of employment. Benefit provisions and contribution requirements are established and amended by the authority of the City's governing body.

On July 1, 2000, fiduciary responsibility and custody of Trust assets for the defined contribution pension plan (Supplemental Pension Plan) was transferred to a professional pension management company. An annual certified financial report for this plan will be prepared by the professional pension management company. The Pension Board serves as Plan Administrators of this plan.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The City of Marietta Public Employee Retirement System (PERS) administers a defined benefit pension plan (General Pension Plan).

The City maintains a single-employer defined benefit pension plan covering full-time, part-time, seasonal, and temporary employees on the first day of the month coinciding with or following their employment date. Pension costs are recorded in the amount of the City's and employee's contribution to the Pension Trust Fund. Management of the assets of the Pension Trust Fund is handled by the City's Pension Board. Benefit provisions and contribution requirements are established and amended by the authority of the City's governing body.

The plan was amended initially on March 1, 1987. Each employee that was employed with the City of Marietta, Georgia on March 1, 1987 had the right to either retain coverage under the original plan provisions or to participate under the amended provisions of the plan. Each employee hired after March 1, 1987 participates under the amended plan provisions. On November 11, 1998, employees participating under the original plan provisions were given the opportunity to elect to participate under the amended plan provisions.

Effective Prior to March 1, 1987

Effective March 1, 1987

Normal Form of Pension

The benefit formula provides for a life annuity benefit with a guaranteed death benefit equal to the present value of the remaining benefits. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount for a 50% continuation to a surviving spouse

Single life annuity benefit

Summary of Significant Accounting Policies and Plan Asset Matters:

The City of Marietta Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the pension plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net assets.

There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are financed through investment earnings.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Schedule of Employer Contributions:

Fiscal Year Ended	Annual Pension Cost	Annual Actual Contributions	Percentage Contributed	Net Pension Obligation
6/30/2009	\$6,213,812	\$5,010,067	81%	\$1,442,157
6/30/2010	4,779,884	5,243,109	110%	978,932
6/30/2011	5,378,819	5,269,416	98%	1,088,335

Annual Pension Cost and Net Pension (Asset) Obligation - The City's annual pension cost and net pension (asset) obligation for the current year were as follows:

Annual required contribution	\$ 5,364,156
Interest on net pension obligation	69,543
Adjustment to annual required contribution	<u>(54,880)</u>
Annual pension cost (expense)	5,378,819
Contributions made	<u>(5,269,416)</u>
Increase (decrease) in net pension obligation	109,403
Net pension obligation-beginning of year	<u>978,932</u>
Net pension obligation-end of year	<u>\$ 1,088,335</u>

Entry age normal actuarial cost method is used to establish the actuarial position of the plan and to determine an appropriate level of contributions for all benefits except death and disability. Employer contributions represented 14.5 percent of the current year covered payroll. Employees are required to contribute 4% of gross wages. The actuarially determined contribution recommendation of 15.5 percent was based on the 2011 fiscal year projected payroll determined through an actuarial valuation performed at July 1, 2010. Total employer and employee contributions to the general pension plan for the fiscal year ended June 30, 2011 were \$5,269,416 and \$1,255,079 respectively.

As of July 1, 2010, the date of the most recent actuarial valuation, employee membership data relevant to the pension plan was as follows:

Member of retirees and beneficiaries currently receiving benefits	402
Number of terminated employees entitled to benefits but not yet receiving them	307
Active employees:	
Fully Vested	478
Nonvested	<u>244</u>
Total plan participants	<u><u>1,431</u></u>

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Actuarial assumptions used in the valuation at July 1, 2010 include the following:

Amortization Method	Level percent of payroll, assuming 3.5% per year increase.
Actuarial Value of Assets	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five year period, further adjusted, if necessary, to be within 20% of the market value.
Remaining Amortization Period	Amortization period is closed - 30 years
Investment Rate of Return	7.5%
Projected Salary Increase	0%
Inflation Rate	3.5%
Cost of Living	3.0%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Ten-year historical trend information presenting the General Pension Plan progress in accumulating sufficient assets to pay benefits when due is presented in The City of Marietta, Georgia Public Employees Retirement System Annual Financial Report for the fiscal year ended June 30, 2011, which may be obtained from the City of Marietta Finance Department.

The following is the funding status of the Plan as of the most recent valuation date:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ 73,973,652	\$ 139,660,803	53.0%	\$ 65,687,151	\$ 33,280,906	197%

The following retirement plans have not been included within this report because the City has no responsibility as prescribed by the Governmental Accounting Standards Board:

Peace Officers' Annuity and Benefit Fund and Georgia Firemen's Pension Fund - Police officers and firefighters are also members of the Peace Officers' Annuity and Benefit Fund and the Georgia Firemen's Pension Fund, respectively. Police officers and firefighters contribute twenty and fifteen dollars, respectively, each month to these state administered plans. The City of Marietta contributed \$21,400 to the Peace Officers' Annuity and Benefit Fund for the year ended June 30, 2011. Contributions to this fund are based on the number and amounts of fines and bond forfeiture cases each month as prescribed by State Law. The Georgia Firemen's Pension Fund is funded by the state-levied fire insurance premium tax.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(11) POSTEMPLOYMENT HEALTHCARE PLAN

The City implemented GASB 45 prospectively during the fiscal year ended June 30, 2008.

Plan Description - The City of Marietta OPEB Trust is a single-employer defined benefit healthcare plan administered by the City of Marietta. The City provides medical, dental, and life insurance benefits to retirees and spouses. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. As of July 1, 2009 there were 358 retirees and spouses eligible for the benefits, 358 retirees and spouses receiving benefits, and 740 current and active employees. The City has the authority to establish and amend benefit provisions.

Summary of significant accounting policies - The plan financial statements are prepared on the accrual basis of accounting. Contributions from the City are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net assets.

There are no investments in, loans to, or leases with parties related to the plan. Administrative costs are financed through investment earnings.

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. For fiscal year 2011, the City contributed \$2,156,614 to the plan. If hired before August 14, 1991, 100% of the cost of employee health insurance premiums will be paid by the City. Amounts paid by the City for employees hired subsequent to August 14, 1991 are based on years of service and the date of hire and are as follow:

<u>Years of Service</u>	<u>Date of Hire</u>		
	<u>08/14/91 thru 11/14/96</u>	<u>11/15/96 thru 10/31/06</u>	<u>After 11/01/06</u>
20	100% HMO & PPO	100% HMO only	85% HMO only
15-19	80% HMO & PPO	80% HMO only	0%
10-14	50% HMO & PPO	50% HMO only	0%
Less than 10	0%	0%	0%

Schedule of Employer Contributions:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Actual Contributions</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 6,598,000	\$ 2,451,000	37%	\$ 8,274,000
6/30/2010	12,374,000	2,408,844	19%	18,239,156
6/30/2011	12,764,579	2,261,335	18%	28,742,400

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

Annual required contribution	\$ 12,713,000
Interest on net OPEB obligation	729,319
Adjustment to annual required contribution	<u>(677,740)</u>
Annual OPEB cost (expense)	12,764,579
Contributions made	<u>(2,261,335)</u>
Increase in net OPEB obligation	10,503,244
Net OPEB obligation-beginning of year	<u>18,239,156</u>
Net OPEB obligation-end of year	<u><u>\$ 28,742,400</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following is the funding status of the Plan as of the most recent valuation date:

	(1)	(2)	(3)	(4)	(5)	(6)
						UAAL as a Percentage of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	(4)/(5)
7/1/2009	\$ 52,000	\$ 155,919,000	0.03%	\$ 155,867,000	\$ 31,580,119	493.6%

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Valuation date	7/1/2009
Actuarial cost method	Projected unit credit with benefits attributed From date of hire to date of decrement
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	n/a
Actuarial assumptions:	
Discount rate	4%
Projected salary increase	3.5%
Healthcare cost trend rate	9% initial 5% ultimate

Actuarial Methods and Assumption - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan does not issue separate financial statements.

(12) RISK MANAGEMENT

The City has established a limited risk management program for group health and medical, property and casualty, and workers' compensation coverage for exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Excess coverage policies are maintained by the City to limit the potential liability of the City for extremely large claims. Premiums are paid by other funds into the Self-Insurance Internal Service Fund and are available to pay claims, excess coverage premiums to third party insurers, and administrative expenses. There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceeded the City's insurance coverage during the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are estimated based on reports available subsequent to year end from carriers that provide information regarding estimates of claims incurred but not reported at year end. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

Excess workers compensation coverage is insured under a retrospectively rated policy whereby the initial premium is adjusted based on actual calendar year payroll totals.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Changes in the balances of claim liabilities during the past year are as follows:

	Year Ending <u>June 30, 2011</u>	Year Ending <u>June 30, 2010</u>
Claims and judgments payable, beginning of fiscal year	\$ 2,162,843	\$ 2,175,775
Incurred claims	8,712,727	8,542,200
Claim payments	<u>(8,265,586)</u>	<u>(8,555,132)</u>
Claims and judgments payable, end of fiscal year	<u>\$ 2,609,984</u>	<u>\$2,162,843</u>

(13) INTRADEPARTMENTAL BILLINGS

Total operating revenues and total operating expenses in the Board of Lights and Waterworks Enterprise Fund includes \$181,504 of intra departmental billings for utility usage.

(14) MUNICIPAL TRUSTS

In 1999, the City, along with other participating municipalities, entered into an agreement with the Municipal Electric Authority of Georgia ("MEAG") which created a trust referred to as the Municipal Competitive Trust (MCT). The purpose of the MCT was to provide a means for MEAG and the participating municipalities to accumulate funds for the purpose of mitigating the effect of anticipated changes in the electric industry involving completions for retail electric power supply. Subsequent amendments to the agreement called for drawdowns from the MCT, which commenced in January 2009, and extend through approximately December 2018. The withdrawals of \$10,122,984 for the fiscal year ending June 30, 2011 have been applied as a reduction of the utility expense in these financial statements. Future withdrawals under this agreement are not certain and thus have not been included as a receivable on the City's books.

In 2010, the City, along with other participating municipalities, entered into revised agreements with MEAG which provide for voluntary deposits into a New Generation and Capacity Funding Account. These account deposits help offset the cost of power to the City in future years through current MEAG power generation expansion projects. Through 2011, the City has deposited \$1,761,337 into this Funding Account. These funds have been collected from customers and are reflected as deferred revenues on the balance sheet.

(15) JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the ten county Atlanta region is a member of the Atlanta Regional Commission (ARC). Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the officials of political subdivisions and private citizens representing districts with the Atlanta region. OCGA 50-8-3.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE, Atlanta, Georgia 30303.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(16) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2011:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund:			
General government:			
General administration:			
Legislative	\$ 428,581	\$ 563,839	\$ (135,258)
Financial administration	1,829,878	1,838,195	(8,317)

The over expenditures in the general fund were funded by available fund balance.

(17) ACCOUNTING CHANGES

During fiscal year 2011, management determined that the estimated useful lives of the Water and Sewer Utility System, and the Electric Utility System should be revised from 40 and 25 years respectively, to 90 and 32 years respectively.

Water and Sewer Utility System depreciation expense in fiscal year 2011 under the old useful life would have totaled \$1,889,125. Using the new estimated useful life, water and sewer utility depreciation expense in fiscal year 2011 is \$623,949.

Electric Utility System depreciation expense in fiscal year 2011 under the old useful life would have totaled \$3,215,978. Using the new estimated useful life, electric utility system depreciation expense in fiscal year 2011 is \$2,101,559.

GASB Statement 54 "*Fund balance Reporting and Governmental Fund Type Definitions*" enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City implemented this standard in fiscal year 2011. The City analyzed all funds previously reported as special revenue funds and determined that the Gone with the Wind Museum fund and the Tree Preservation fund should not be classified as a special revenue funds. The transactions of these funds are now reported within the General Fund. The City also determined that the Marietta Housing fund should be reported within the HUD Housing Assistance Fund.

The fund balance in the General fund and the Citywide Projects fund has been restated for a transfer that was not recorded properly in the prior year.

Net assets in the BLW Fund have been restated to reflect adjustments to accumulated depreciation computations.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Citywide Projects Fund	HUD Housing Assistance	Marietta Housing
Fund balance/Net Assets as previously reported	\$30,273,363	\$20,986,708	\$ 1,812,599	\$ 711
Restatements	(742,991)	860,000	711	(711)
Fund balance/net assets as restated	<u>\$29,530,372</u>	<u>\$21,846,708</u>	<u>\$ 1,813,310</u>	<u>\$ -</u>
Change in fund balance/net assets as previously reported	\$13,817,579	\$20,986,708	\$ (871,416)	\$ (88)
Effect of restatements	(852,924)	860,000	(88)	88
Change in fund balance/net assets as restated	<u>\$12,964,655</u>	<u>\$21,846,708</u>	<u>\$ (871,504)</u>	<u>\$ -</u>
	Gone with the Wind Museum	Tree Preservation	BLW	Business Type Activities
Fund balance/Net Assets as previously reported	\$ (52,500)	\$ 169,509	\$ 145,176,897	\$ 136,176,069
Restatements	52,500	(169,509)	8,100,224	8,100,224
Fund balance/net assets as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,277,121</u>	<u>\$ 144,276,293</u>
Change in fund balance/net assets as previously reported	\$ 11,645	\$ (4,569)	\$ 5,395,240	\$ 1,140,447
Effect of restatements	(11,645)	4,569	317,136	317,136
Change in fund balance/net assets as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,712,376</u>	<u>\$ 1,457,583</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARIETTA, GEORGIA
DEFINED BENEFIT PLANS
REQUIRED SUPPLEMENTARY INFORMATION

A) PUBLIC EMPLOYEE RETIREMENT SYSTEM

The funding status of the pension plan as of the most recent actuarial valuation date is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ 75,215,141	\$ 131,770,821	57.1%	\$ 56,555,680	\$ 31,580,119	179%
7/1/2009	73,351,836	138,251,505	53.1%	64,899,669	33,079,296	196%
7/1/2010	73,973,652	139,660,803	53.0%	65,687,151	33,280,906	197%

B) POST EMPLOYMENT HEALTHCARE PLAN

The funding status of the OPEB plan as of the most recent actuarial valuation date is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ -	\$ 90,530,000	0.00%	\$ 90,530,000	\$ 30,170,894	300.1%
7/1/2009	52,000	155,919,000	0.03%	155,867,000	31,580,119	493.6%

The schedule of funding progress for the OPEB plan is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Actual Contributions	Percentage Contributed	Net OPEB Obligation
6/30/2009	\$ 6,598,000	\$ 2,451,000	37%	\$ 8,274,000
6/30/2010	12,374,000	2,408,844	19%	18,239,156
6/30/2011	12,764,579	2,261,335	18%	28,742,400

CITY OF MARIETTA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$17,385,801	\$17,485,801	\$17,170,590	\$ (315,211)
Licenses and permits	4,992,530	5,242,530	5,410,991	168,461
Intergovernmental	2,670,473	8,675,923	3,923,591	(4,752,332)
Charges for services	4,076,858	4,141,075	4,096,531	(44,544)
Fines and forfeits	3,222,000	3,222,000	3,257,284	35,284
Investment earnings	300,000	300,000	119,414	(180,586)
Other	512,690	602,514	700,801	98,287
Total revenues	33,160,352	39,669,843	34,679,202	(4,990,641)
Expenditures:				
Current:				
General government:				
General administration:				
Legislative	425,733	428,581	563,839	(135,258)
Judicial	1,161,770	1,128,182	1,083,118	45,064
Executive	1,139,863	1,104,555	992,672	111,883
Law	525,000	528,500	490,589	37,911
Financial administration	1,767,344	1,829,878	1,838,195	(8,317)
Human resources	840,688	845,716	824,203	21,513
Planning and zoning	1,986,851	6,389,492	2,176,500	4,212,992
Public works	7,570,654	7,065,578	6,871,556	194,022
Culture and recreation	4,521,848	5,813,422	5,438,314	375,108
Public safety:				
Police	13,303,856	15,113,481	14,770,790	342,691
Fire	11,485,333	11,517,231	10,889,810	627,421
Debt Service:				
Principal retirement	919,897	919,897	919,897	-
Interest and fiscal charges	1,409,770	1,409,770	1,409,769	1
Total expenditures	47,058,607	54,094,283	48,269,252	5,825,031
Excess (deficiency) of revenues over expenditures	(13,898,255)	(14,424,440)	(13,590,050)	834,390
Other financing sources (uses):				
Sales of capital assets	72,500	72,500	64,599	(7,901)
Transfers in	18,507,024	18,802,758	28,990,961	10,188,203
Transfers out	(4,576,528)	(5,442,900)	(5,916,368)	(473,468)
Total other financing sources (uses)	14,002,996	13,432,358	23,139,192	9,706,834
Net change in fund balance	\$ 104,741	\$ (992,082)	9,549,142	\$ 10,541,224
Reconciliation to GAAP basis:				
Encumbrances outstanding at end of year			1,616,964	
Fund balances at beginning of year - GAAP basis			29,530,372	
Fund balances at end of year - GAAP basis			<u>\$40,696,478</u>	

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e., police, fire, recreation, public works, general government, etc.). These activities are funded by property taxes on individuals and businesses.

CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u> (As Restated)
<u>ASSETS</u>		
Cash and cash equivalents	\$ 552,239	\$ 1,398,706
Cash with fiscal agent	560	-
Equity in pooled cash	8,150,757	4,879,924
Investments	8,356,995	5,176,345
Receivables (net of allowance for estimated uncollectibles):		
Taxes	358,917	347,095
Sanitation	202,519	211,062
Accrued interest	17,669	24,621
Other	60,472	270,139
Prepaid items	39,159	31,048
Due from other funds	4,710,643	4,244,830
Due from other governments	529,495	453,655
Inventories	28,248	27,532
Advances to other funds	<u>20,379,779</u>	<u>16,481,565</u>
Total assets	<u>\$ 43,387,452</u>	<u>\$ 33,546,522</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,626,158	\$ 1,536,047
Retainage payable	17,154	-
Accrued salaries and employee benefits	504,200	1,038,561
Due to other funds	159,918	1,096,819
Due to other governments	879	424
Deferred revenue	<u>382,665</u>	<u>344,299</u>
Total liabilities	<u>2,690,974</u>	<u>4,016,150</u>
Fund balance:		
Nonspendable	20,447,186	16,540,145
Restricted	2,661,721	2,408,478
Committed	9,388	5,671
Assigned	1,579,824	883,974
Unassigned	<u>15,998,359</u>	<u>9,692,104</u>
Total fund balance	<u>40,696,478</u>	<u>29,530,372</u>
Total liabilities and fund balance	<u>\$ 43,387,452</u>	<u>\$ 33,546,522</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010 (As Restated)
Revenues:		
Taxes	\$ 17,170,590	\$ 17,368,295
Licenses and permits	5,410,991	5,297,444
Intergovernmental	3,923,591	2,814,029
Charges for services	4,096,531	4,192,418
Fines and forfeits	3,257,284	3,255,124
Investment earnings	119,414	145,868
Other	700,801	482,496
Total revenues	<u>34,679,202</u>	<u>33,555,674</u>
Expenditures:		
Current:		
General government	7,416,234	7,450,955
Public works	6,850,806	6,989,397
Culture and recreation	3,976,597	4,298,902
Public safety	26,078,985	24,617,919
Debt service:		
Principal retirement	919,897	52,225
Interest and fiscal charges	1,409,769	27,711
Total expenditures	<u>46,652,288</u>	<u>43,437,109</u>
Excess (deficiency) of revenues over expenditures	<u>(11,973,086)</u>	<u>(9,881,435)</u>
Other financing sources (uses):		
Sale of capital assets	64,599	70,215
Transfers in	28,990,961	28,458,362
Transfers out	(5,916,368)	(5,682,487)
Total other financing sources (uses)	<u>23,139,192</u>	<u>22,846,090</u>
Net change in fund balance	11,166,106	12,964,655
Fund balance at beginning of year	<u>29,530,372</u>	<u>16,565,717</u>
Fund balance at end of year	<u>\$ 40,696,478</u>	<u>\$ 29,530,372</u>

See accompanying notes to financial statements.

NONMAJOR COMBINING STATEMENTS

CITY OF MARIETTA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue	Local Option Sales Tax	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 1,670,334	\$ -	\$ 1,670,334
Cash with fiscal agent	1,632,604	-	1,632,604
Equity in pooled cash	1,133,021	366,501	1,499,522
Investments	420,551	-	420,551
Receivables, net	88,110	12	88,122
Due from other governments	226,627	494,783	721,410
Total assets and other debits	<u>\$ 5,171,247</u>	<u>\$ 861,296</u>	<u>\$ 6,032,543</u>
<u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	\$ 60,466	\$ -	\$ 60,466
Accrued liabilities	13,804	-	13,804
Due to other funds	29,607	-	29,607
Deferred revenue	107,057	161,240	268,297
Total liabilities	<u>210,934</u>	<u>161,240</u>	<u>372,174</u>
Fund balances:			
Restricted	<u>4,960,313</u>	<u>700,056</u>	<u>5,660,369</u>
Total fund balances	<u>4,960,313</u>	<u>700,056</u>	<u>5,660,369</u>
Total liabilities and fund balances	<u>\$ 5,171,247</u>	<u>\$ 861,296</u>	<u>\$ 6,032,543</u>

CITY OF MARIETTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue	Local Option Sales Tax	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 2,642,911	\$ -	\$ 2,642,911
Intergovernmental	6,519,336	333,543	6,852,879
Investment earnings	7,331	905	8,236
Total revenues	<u>9,169,578</u>	<u>334,448</u>	<u>9,504,026</u>
Expenditures:			
Current:			
Public works	390,226	-	390,226
Public safety	467	-	467
Urban redevelopment and housing	5,879,557	-	5,879,557
Debt service:			
Principal retirement	541,904	-	541,904
Interest and fiscal charges	309,251	-	309,251
Capital projects	-	30,146	30,146
Total expenditures	<u>7,121,405</u>	<u>30,146</u>	<u>7,151,551</u>
Excess (deficiency) of revenues over expenditures	<u>2,048,173</u>	<u>304,302</u>	<u>2,352,475</u>
Other financing sources (uses):			
Transfers out	<u>(2,313,740)</u>	<u>-</u>	<u>(2,313,740)</u>
Total other financing sources (uses)	<u>(2,313,740)</u>	<u>-</u>	<u>(2,313,740)</u>
Net change in fund balance	<u>(265,567)</u>	<u>304,302</u>	<u>38,735</u>
Fund balances at beginning of year	<u>5,225,880</u>	<u>395,754</u>	<u>5,621,634</u>
Fund balances at end of year	<u>\$ 4,960,313</u>	<u>\$ 700,056</u>	<u>\$ 5,660,369</u>

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenues which are legally restricted to finance specific functions or activities of the government and which, therefore, cannot be diverted to other uses.

HUD HOUSING ASSISTANCE PAYMENTS PROGRAM – To account for the receipts and disbursements of all monies received from the Department of Housing and Urban Development under the Housing Assistance Payments Program.

HUD COMMUNITY DEVELOPMENT BLOCK GRANT FUND – To account for the receipts and disbursements of all monies received from the Department of Housing and Urban Development under the Community Development Block Grant Program.

TAX ALLOCATION DISTRICT – To account for the receipts and disbursements of incremental real and personal property tax collections in the tax allocation district. Intergovernmental revenue is the incremental tax revenue received from Cobb County and Marietta City Schools.

CEMETERY MAINTENANCE FUND – To account for the repair and maintenance of City-owned cemeteries, funded through property tax revenue.

LOCAL LAW ENFORCEMENT BLOCK GRAND FUND – To account for the receipts and disbursements of all monies received from the Department of Justice, along with related interest earnings, as established under the Local Law Enforcement Block Grant Program.

HOTEL MOTEL FUND – To account for receipts and disbursements of all monies received relating to hotel motel tax collections.

AUTO RENTAL EXCISE TAX FUND – To account for receipts and disbursements of all monies received relating to the 3% auto rental excise tax collections.

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CITY OF MARIETTA, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	Nonmajor Funds			
	HUD Housing Assistance	HUD CDBG	Tax Allocation District	Cemetery Maintenance
<u>ASSETS</u>				
Cash and cash equivalents	\$1,644,465	\$ -	\$ -	\$ 25,869
Cash with fiscal agent	-	-	1,632,604	-
Equity in pooled cash	13,579	-	1,079,678	34,557
Investments	-	-	-	420,551
Receivables, net	-	642	76,914	10,554
Due from other governments	105,976	52,974	66,683	994
Total assets	<u>\$1,764,020</u>	<u>\$53,616</u>	<u>\$2,855,879</u>	<u>\$ 492,525</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 38,693	\$16,832	\$ -	\$ 4,941
Accrued salaries and employee benefits	9,813	2,753	-	1,238
Due to other funds	-	29,607	-	-
Deferred revenue	-	-	98,498	8,559
Total liabilities	<u>48,506</u>	<u>49,192</u>	<u>98,498</u>	<u>14,738</u>
Fund balance:				
Restricted	<u>1,715,514</u>	<u>4,424</u>	<u>2,757,381</u>	<u>477,787</u>
Total fund balance	<u>1,715,514</u>	<u>4,424</u>	<u>2,757,381</u>	<u>477,787</u>
Total liabilities and fund balance	<u>\$1,764,020</u>	<u>\$53,616</u>	<u>\$2,855,879</u>	<u>\$ 492,525</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONT'D)
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

Nonmajor Funds			Totals	
LLEBG Fund	Hotel Motel Tax	Auto Rental Tax	2011	2010 (As Restated)
\$ -	\$ -	\$ -	\$ 1,670,334	\$ 2,104,349
-	-	-	1,632,604	1,882,373
5,207	-	-	1,133,021	1,077,824
-	-	-	420,551	387,373
-	-	-	88,110	141,028
-	-	-	226,627	160,892
<u>\$ 5,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,171,247</u>	<u>\$ 5,753,839</u>
\$ -	\$ -	\$ -	\$ 60,466	\$ 250,451
-	-	-	13,804	27,177
-	-	-	29,607	15,164
-	-	-	107,057	235,167
-	-	-	210,934	527,959
<u>5,207</u>	<u>-</u>	<u>-</u>	<u>4,960,313</u>	<u>5,225,880</u>
<u>5,207</u>	<u>-</u>	<u>-</u>	<u>4,960,313</u>	<u>5,225,880</u>
<u>\$ 5,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,171,247</u>	<u>\$ 5,753,839</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Nonmajor Funds			
	HUD Housing Assistance	HUD CDBG	Tax Allocation District	Cemetery Maintenance
Revenues:				
Taxes	\$ -	\$ -	\$ 168,158	\$ 207,883
Intergovernmental	5,471,243	198,181	849,448	-
Investment earnings	1,378	-	2,155	3,784
Total revenues	<u>5,472,621</u>	<u>198,181</u>	<u>1,019,761</u>	<u>211,667</u>
Expenditures:				
Current:				
Public works	-	-	-	390,226
Public safety	-	-	-	-
Urban redevelopment and housing	5,524,048	197,645	157,864	-
Debt service:				
Principal retirement	-	-	541,904	-
Interest & fiscal charges	-	-	309,251	-
Total expenditures	<u>5,524,048</u>	<u>197,645</u>	<u>1,009,019</u>	<u>390,226</u>
Excess (deficiency) of revenues over expenditures	<u>(51,427)</u>	<u>536</u>	<u>10,742</u>	<u>(178,559)</u>
Other financing sources (uses):				
Transfers out	<u>(46,369)</u>	<u>(501)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(46,369)</u>	<u>(501)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(97,796)</u>	<u>35</u>	<u>10,742</u>	<u>(178,559)</u>
Fund balances at beginning of year	<u>1,813,310</u>	<u>4,389</u>	<u>2,746,639</u>	<u>656,346</u>
Fund balances at end of year	<u>\$ 1,715,514</u>	<u>\$ 4,424</u>	<u>\$ 2,757,381</u>	<u>\$ 477,787</u>

See accompanying notes to the financial statements.

CITY OF MARIETTA, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Nonmajor Funds			Totals	
LLEBG Fund	Hotel Motel Tax	Auto Rental Tax	2011	2010 (As Restated)
\$ -	\$ 1,891,999	\$ 374,871	\$ 2,642,911	\$ 2,503,453
464	-	-	6,519,336	5,749,747
14	-	-	7,331	16,709
478	1,891,999	374,871	9,169,578	8,269,909
-	-	-	390,226	373,787
467	-	-	467	27,503
-	-	-	5,879,557	6,353,078
-	-	-	541,904	520,111
-	-	-	309,251	331,044
467	-	-	7,121,405	7,605,523
11	1,891,999	374,871	2,048,173	664,386
-	(1,891,999)	(374,871)	(2,313,740)	(2,123,377)
-	(1,891,999)	(374,871)	(2,313,740)	(2,123,377)
11	-	-	(265,567)	(1,458,991)
5,196	-	-	5,225,880	6,684,871
\$ 5,207	\$ -	\$ -	\$ 4,960,313	\$ 5,225,880

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u> (As Restated)
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,644,465	\$ 1,898,717
Equity in pooled cash	13,579	29,751
Due from other governments	105,976	23,910
Other receivables	-	188
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,764,020</u>	<u>\$ 1,952,566</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 38,693	\$ 118,773
Accrued salaries and employee benefits	<u>9,813</u>	<u>20,483</u>
	<u> </u>	<u> </u>
Total liabilities	<u>48,506</u>	<u>139,256</u>
Fund balance:		
Restricted	<u>1,715,514</u>	<u>1,813,310</u>
	<u> </u>	<u> </u>
Total fund balance	<u>1,715,514</u>	<u>1,813,310</u>
	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 1,764,020</u>	<u>\$ 1,952,566</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010 (As Restated)
Revenues:		
Intergovernmental	\$ 5,471,243	\$ 4,854,554
Investment earnings	1,378	6,880
Total revenues	<u>5,472,621</u>	<u>4,861,434</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	678,205	650,131
Operating	208,941	233,312
Capital outlay	60,415	96,040
Housing assistance payments	<u>4,576,487</u>	<u>4,707,086</u>
Total expenditures	<u>5,524,048</u>	<u>5,686,569</u>
Excess of revenues over expenditures	<u>(51,427)</u>	<u>(825,135)</u>
Other financing sources (uses):		
Transfers out	<u>(46,369)</u>	<u>(46,369)</u>
Total other financing sources (uses)	<u>(46,369)</u>	<u>(46,369)</u>
Net change in fund balance	<u>(97,796)</u>	<u>(871,504)</u>
Fund balance at beginning of year	<u>1,813,310</u>	<u>2,684,814</u>
Fund balance at end of year	<u><u>\$ 1,715,514</u></u>	<u><u>\$ 1,813,310</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD- HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,391,968	\$ 5,471,243	\$ 79,275
Expenditures- urban redevelopment and housing:			
Current:			
Personal services	668,897	678,205	(9,308)
Operating	250,107	209,525	40,582
Capital outlay	350,837	60,415	290,422
Housing assistance payments	5,346,840	4,576,487	770,353
Total expenditures	6,616,681	5,524,632	1,092,049
Excess (deficiency) of revenues over expenditures	(1,224,713)	(53,389)	1,171,324
Other financing sources (uses):			
Transfers out	(46,369)	(46,369)	-
Net change in fund balance	\$ (1,271,082)	(99,758)	\$ 1,171,324
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		584	
Unbudgeted investment earnings		1,378	
Fund balance at beginning of year - GAAP basis		1,813,310	
Fund balance at end of year - GAAP basis		\$ 1,715,514	

CITY OF MARIETTA, GEORGIA
HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Other receivables	\$ 642	\$ 642
Due from other governments	<u>52,974</u>	<u>24,382</u>
Total assets	<u>\$ 53,616</u>	<u>\$ 25,024</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 16,832	\$ -
Accrued salaries and employee benefits	2,753	5,471
Due to other funds	<u>29,607</u>	<u>15,164</u>
Total liabilities	<u>49,192</u>	<u>20,635</u>
Fund balance:		
Restricted	<u>4,424</u>	<u>4,389</u>
Total fund balance	<u>4,424</u>	<u>4,389</u>
Total liabilities and fund balance	<u>\$ 53,616</u>	<u>\$ 25,024</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Intergovernmental	<u>\$198,181</u>	<u>\$168,542</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	166,525	167,271
Operating services	<u>31,120</u>	<u>1,271</u>
Total expenditures	<u>197,645</u>	<u>168,542</u>
Excess (deficiency) of revenues over expenditures	<u>536</u>	<u>-</u>
Other financing sources (uses)		
Transfers out	<u>(501)</u>	<u>(501)</u>
Total other financing sources (uses)	<u>(501)</u>	<u>(501)</u>
Net change in fund balance	35	(501)
Fund balance at beginning of year	<u>4,389</u>	<u>4,890</u>
Fund balance at end of year	<u>\$ 4,424</u>	<u>\$ 4,389</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 228,414</u>	<u>\$198,181</u>	<u>\$ (30,233)</u>
Total revenues	<u>228,414</u>	<u>198,181</u>	<u>(30,233)</u>
Expenditures - urban redevelopment and housing:			
Current:			
Personal services	179,363	166,525	12,838
Operating services	<u>48,550</u>	<u>33,512</u>	<u>15,038</u>
Total expenditures	<u>227,913</u>	<u>200,037</u>	<u>27,876</u>
Excess (deficiency) of revenues over expenditures	<u>501</u>	<u>(1,856)</u>	<u>(2,357)</u>
Other financing sources (uses)			
Transfers out	<u>(501)</u>	<u>(501)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,357)</u>	<u>\$ (2,357)</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		2,392	
Fund balance at beginning of year - GAAP basis		<u>4,389</u>	
Fund balance at end of year - GAAP basis		<u>\$ 4,424</u>	

**CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash with fiscal agent	\$ 1,632,604	\$ 1,882,373
Equity in pooled cash	1,079,678	943,271
Taxes receivable, net	76,914	129,030
Due from other governments	<u>66,683</u>	<u>111,762</u>
Total assets	<u>\$ 2,855,879</u>	<u>\$ 3,066,436</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 94,061
Deferred revenue	<u>98,498</u>	<u>225,736</u>
Total liabilities	<u>98,498</u>	<u>319,797</u>
Fund balance:		
Restricted	<u>2,757,381</u>	<u>2,746,639</u>
Total fund balance	<u>2,757,381</u>	<u>2,746,639</u>
Total liabilities and fund balance	<u>\$ 2,855,879</u>	<u>\$ 3,066,436</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Revenues:		
Taxes	\$ 168,158	\$ 206,099
Intergovernmental	849,448	699,152
Investment earnings	<u>2,155</u>	<u>2,607</u>
Total revenues	<u>1,019,761</u>	<u>907,858</u>
Expenditures - urban redevelopment and housing:		
Current:		
Capital outlay	157,864	497,967
Debt service:		
Principal retirement	541,904	520,111
Interest & fiscal charges	<u>309,251</u>	<u>331,044</u>
Total expenditures	<u>1,009,019</u>	<u>1,349,122</u>
Excess (deficiency) of revenues over expenditures	<u>10,742</u>	<u>(441,264)</u>
Net change in fund balance	10,742	(441,264)
Fund balance at beginning of year	<u>2,746,639</u>	<u>3,187,903</u>
Fund balance at end of year	<u><u>\$ 2,757,381</u></u>	<u><u>\$ 2,746,639</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$ 911,155	\$ 1,017,606	\$ 106,451
Investment earnings	5,000	2,155	(2,845)
Total revenues	916,155	1,019,761	103,606
Expenditures- urban redevelopment and housing:			
Current:			
Capital outlay	422,996	201,583	221,413
Debt service:			
Principal retirement	541,904	541,904	-
Interest & fiscal charges	309,251	309,251	-
Total expenditures	1,274,151	1,052,738	221,413
Net change in fund balance	<u>\$ (357,996)</u>	(32,977)	<u>\$ 325,019</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		43,719	
Fund balance at beginning of year		<u>2,746,639</u>	
Fund balance at end of year		<u>\$ 2,757,381</u>	

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 25,869	\$ 205,632
Equity in pooled cash	34,557	99,609
Investments	420,551	387,373
Receivables, net:		
Taxes	9,706	10,386
Interest	848	779
Due from other governments	994	838
Total assets	<u>\$ 492,525</u>	<u>\$ 704,617</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 4,941	\$ 37,617
Accrued salaries and employee benefits	1,238	1,223
Deferred revenue	8,559	9,431
Total liabilities	<u>14,738</u>	<u>48,271</u>
Fund balance:		
Restricted	<u>477,787</u>	<u>656,346</u>
Total fund balance	<u>477,787</u>	<u>656,346</u>
Total liabilities and fund balance	<u>\$ 492,525</u>	<u>\$ 704,617</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Revenues:		
Taxes	\$207,883	\$220,847
Investment earnings	<u>3,784</u>	<u>7,190</u>
Total revenues	<u>211,667</u>	<u>228,037</u>
Expenditures - public works:		
Current:		
Personal services	84,081	66,885
Operating services	<u>306,145</u>	<u>306,902</u>
Total expenditures	<u>390,226</u>	<u>373,787</u>
Excess (deficiency) of revenues over expenditures	(178,559)	(145,750)
Fund balance at beginning of year	<u>656,346</u>	<u>802,096</u>
Fund balance at end of year	<u><u>\$477,787</u></u>	<u><u>\$656,346</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes	\$ 215,500	\$ 207,883	\$ (7,617)
Investment earnings	10,000	3,784	(6,216)
Total revenues	<u>225,500</u>	<u>211,667</u>	<u>(13,833)</u>
Expenditures - public works:			
Current:			
Personal services	85,551	84,081	1,470
Operating services	<u>315,342</u>	<u>315,291</u>	<u>51</u>
Total expenditures	<u>400,893</u>	<u>399,372</u>	<u>1,521</u>
Excess (deficiency) of revenues over expenditures	<u><u>\$(175,393)</u></u>	(187,705)	<u><u>\$ (12,312)</u></u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		9,146	
Fund balances at beginning of year - GAAP basis		<u>656,346</u>	
Fund balance at end of year - GAAP basis		<u><u>\$477,787</u></u>	

CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 5,207	\$ 5,193
Receivables, net	<u>-</u>	<u>3</u>
Total assets	<u>\$ 5,207</u>	<u>\$ 5,196</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Fund balance:		
Restricted	<u>5,207</u>	<u>5,196</u>
Total fund balance	<u>5,207</u>	<u>5,196</u>
Total liabilities and fund balance	<u>\$ 5,207</u>	<u>\$ 5,196</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues:		
Intergovernmental	\$ 464	\$ 27,499
Investment earnings	14	32
Total revenues	478	27,531
Expenditures - public safety:		
Current:		
Operating services	3	8,731
Capital outlay	464	18,772
Total expenditures	467	27,503
Excess (deficiency) of revenues over expenditures	11	28
Net change in fund balance	11	28
Fund balance at beginning of year	5,196	5,168
Fund balance at end of year	\$ 5,207	\$ 5,196

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 500	\$ 464	\$ (36)
Total revenues	500	464	(36)
Expenditures - public safety:			
Current:			
Capital outlay	500	464	36
Total expenditures	500	464	36
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Reconciliation to GAAP basis:			
Unbudgeted investment earnings		14	
Unbudgeted operating expenditures		(3)	
Fund balance at beginning of year - GAAP basis		5,196	
Fund balance (deficit) at end of year - GAAP basis		\$ 5,207	

CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Taxes	<u>\$1,891,999</u>	<u>\$1,720,725</u>
Total revenues	<u>1,891,999</u>	<u>1,720,725</u>
Other financing sources (uses)		
Transfers out	<u>(1,891,999)</u>	<u>(1,720,725)</u>
Total other financing sources (uses)	<u>(1,891,999)</u>	<u>(1,720,725)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$1,774,999	\$1,891,999	\$ 117,000
Total revenues	1,774,999	1,891,999	117,000
Other financing sources (uses)			
Transfer out	(1,774,999)	(1,891,999)	(117,000)
Net change in fund balance	\$ -	-	\$ -
Fund balance (deficit) at beginning of year		-	
Fund balance (deficit) at end of year		\$ -	

CITY OF MARIETTA, GEORGIA
AUTO RENTAL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Taxes	<u>\$ 374,871</u>	<u>\$ 355,782</u>
Total revenues	<u>374,871</u>	<u>355,782</u>
Other financing sources (uses)		
Transfers out	<u>(374,871)</u>	<u>(355,782)</u>
Total other financing sources (uses)	<u>(374,871)</u>	<u>(355,782)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
AUTO RENTAL TAX FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$366,335	\$374,871	\$ 8,536
Total revenues	366,335	374,871	8,536
Other financing sources (uses)			
Transfer out	(366,335)	(374,871)	(8,536)
Net change in fund balance	\$ -	-	\$ -
Fund balance (deficit) at beginning of year		-	
Fund balance (deficit) at end of year		\$ -	

DEBT SERVICE FUND

The Debt Service Fund is used for the accumulation of resources for, and the payment of, principal and interest on general long-term debt (other than enterprise funds).

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 142,454	\$ 336,231
Equity in pooled cash	259,023	1,867,902
Investments	4,459,405	1,115,892
Receivables, net		
Taxes	257,385	212,175
Accrued interest	6,974	2,414
Due from other funds	561,896	-
Advances to other funds	-	2,262,175
Due from other governments	29,775	19,274
	<u>29,775</u>	<u>19,274</u>
Total assets	<u>\$ 5,716,912</u>	<u>\$ 5,816,063</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Deferred revenue	<u>\$ 224,671</u>	<u>\$ 187,737</u>
Total liabilities	<u>224,671</u>	<u>187,737</u>
Fund balance:		
Nonspendable	-	2,262,175
Restricted	<u>5,492,241</u>	<u>3,366,151</u>
Total fund balance	<u>5,492,241</u>	<u>5,628,326</u>
Total liabilities and fund balance	<u>\$ 5,716,912</u>	<u>\$ 5,816,063</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Taxes	\$ 5,976,288	\$ 4,953,346
Intergovernmental revenue	3,693,625	3,700,691
Investment earnings	<u>20,204</u>	<u>34,829</u>
Total revenue	<u>9,690,117</u>	<u>8,688,866</u>
Expenditures:		
Debt service:		
Principal retirement	7,285,000	6,300,000
Interest on bonds	2,514,966	1,436,511
Fiscal agent fees and bond issuance costs	<u>1,000</u>	<u>326,434</u>
Total expenditures	<u>9,800,966</u>	<u>8,062,945</u>
Excess (deficiency) of revenues over expenditures	<u>(110,849)</u>	<u>625,921</u>
Other financing sources (uses):		
Proceeds of refunding bonds	-	41,027,190
Debt service-principal	-	(40,605,000)
Payment to refunded bond escrow agent	-	(96,056)
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>300,898</u>
Net change in fund balance	<u>(136,085)</u>	<u>926,819</u>
Fund balance at beginning of year	<u>5,628,326</u>	<u>4,701,507</u>
Fund balance at end of year	<u><u>\$ 5,492,241</u></u>	<u><u>\$ 5,628,326</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:			
Taxes	\$ 6,364,200	\$ 5,976,288	\$ (387,912)
Intergovernmental	3,693,625	3,693,625	-
Investment earnings	30,000	20,204	(9,796)
Total revenues	<u>10,087,825</u>	<u>9,690,117</u>	<u>(397,708)</u>
Expenditures:			
Debt Service:			
Principal retirement	7,285,000	7,285,000	-
Interest and fiscal charges	<u>2,517,965</u>	<u>2,515,966</u>	<u>1,999</u>
Total expenditures	<u>9,802,965</u>	<u>9,800,966</u>	<u>1,999</u>
Excess (deficiency) of revenues over expenditures	<u>284,860</u>	<u>(110,849)</u>	<u>(395,709)</u>
Other financing sources (uses):			
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Net change in fund balance	<u>\$ 259,624</u>	(136,085)	<u>\$ (395,709)</u>
Fund balance at beginning of year		<u>5,628,326</u>	
Fund balance at end of year		<u>\$ 5,492,241</u>	

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CAPITAL PROJECTS FUNDS

LOCAL OPTION SALES TAX FUND – To account for the proceeds received from Cobb County local option sales tax collections to be used for transportation and sidewalk improvements within the City.

SPLOST FUND - To account for the proceeds received from Cobb County Special Purpose Local Option Sales Tax collections to be used for transportation, sidewalks, and public safety radio system improvements within the City.

CITYWIDE PROJECTS FUND - To account for revenue bonds expenditures that support the construction of major projects and the purchase of major equipment and vehicles within the City.

CITY PARKS BOND FUND - To account for the proceeds of the 2009 \$25 Million Park Bond referendum to be used towards land acquisition; improvements to existing parks, facilities, trails and greenspace; development of new parks; administration fees and contingencies.

CITY OF MARIETTA, GEORGIA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011 AND 2010

	Local Option Sales Tax	Citywide Projects Fund	City Parks Bond Fund	SPLOST Fund	Totals	
					2011	2010 (As Restated)
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 9,433,225	\$ 4,465,630	\$ 13,898,855	\$ 38,460,754
Cash with fiscal agent	-	8,679,512	-	-	8,679,512	20,987,224
Equity in pooled cash	366,501	-	-	34,242	400,743	337,396
Investments	-	-	12,884,713	7,233,335	20,118,048	-
Receivables, net	12	-	-	-	12	2,018
Due from other funds	-	-	-	-	-	860,000
Due from other governments	494,783	-	-	2,121,935	2,616,718	2,925,352
Total assets	<u>\$ 861,296</u>	<u>\$ 8,679,512</u>	<u>\$ 22,317,938</u>	<u>\$ 13,855,142</u>	<u>\$ 45,713,888</u>	<u>\$ 63,572,744</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 130,780	\$ 810,166	\$ 940,946	\$ 2,177,844
Retainage payable	-	-	63,615	191,611	255,226	327,977
Deferred revenue	161,240	-	-	-	161,240	352,921
Due to other funds	-	16	-	-	16	90,615
Total liabilities	<u>161,240</u>	<u>16</u>	<u>194,395</u>	<u>1,001,777</u>	<u>1,357,428</u>	<u>2,949,357</u>
Fund balances:						
Restricted	<u>700,056</u>	<u>8,679,496</u>	<u>22,123,543</u>	<u>12,853,365</u>	<u>44,356,460</u>	<u>60,623,387</u>
Total fund balances	<u>700,056</u>	<u>8,679,496</u>	<u>22,123,543</u>	<u>12,853,365</u>	<u>44,356,460</u>	<u>60,623,387</u>
Total liabilities and fund balances	<u>\$ 861,296</u>	<u>\$ 8,679,512</u>	<u>\$ 22,317,938</u>	<u>\$ 13,855,142</u>	<u>\$ 45,713,888</u>	<u>\$ 63,572,744</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Local Option Sales Tax	Citywide Projects Fund	City Parks Bond Fund	SPLOST Fund	Totals	
					2011	2010 (As Restated)
Revenues:						
Investment earnings	\$ 905	\$ 195	\$ 3,628	\$ 8,350	\$ 13,078	\$ 65,817
Intergovernmental	333,543	-	-	9,884,492	10,218,035	10,222,631
Miscellaneous revenue	-	-	9,600	-	9,600	-
Total revenues	334,448	195	13,228	9,892,842	10,240,713	10,288,448
Expenditures:						
Capital projects	30,146	-	1,887,740	7,308,067	9,225,953	14,363,860
Debt service:						
Principal retirement	-	-	-	3,775,000	3,775,000	675,000
Interest and fiscal charges	-	-	-	339,280	339,280	1,194,304
Total expenditures	30,146	-	1,887,740	11,422,347	13,340,233	16,233,164
Excess (deficiency) of revenues over expenditures	304,302	195	(1,874,512)	(1,529,505)	(3,099,520)	(5,944,716)
Other financing sources (uses):						
Proceeds of refunding bonds	-	-	-	-	-	61,081,195
Transfers in	-	-	-	-	-	860,000
Transfers out	-	(13,167,407)	-	-	(13,167,407)	(12,506,354)
Total Other financing sources (uses):	-	(13,167,407)	-	-	(13,167,407)	49,434,841
Net change in fund balance	304,302	(13,167,212)	(1,874,512)	(1,529,505)	(16,266,927)	43,490,125
Fund balances at beginning of year	395,754	21,846,708	23,998,055	14,382,870	60,623,387	17,133,262
Fund balances at end of year	\$ 700,056	\$ 8,679,496	\$ 22,123,543	\$ 12,853,365	\$ 44,356,460	\$ 60,623,387

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 366,501	\$ 288,828
Receivables:		
Accrued interest	12	117
Due from other governments	<u>494,783</u>	<u>402,159</u>
Total assets	<u>\$ 861,296</u>	<u>\$ 691,104</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 73,898
Deferred revenue	161,240	131,353
Due to other funds	<u>-</u>	<u>90,099</u>
Total liabilities	<u>161,240</u>	<u>295,350</u>
Fund balance:		
Restricted	<u>700,056</u>	<u>395,754</u>
Total fund balance	<u>700,056</u>	<u>395,754</u>
Total liabilities and fund balance	<u>\$ 861,296</u>	<u>\$ 691,104</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Investment earnings	\$ 905	\$ 335
Intergovernmental	<u>333,543</u>	<u>36,576</u>
Total revenues	<u>334,448</u>	<u>36,911</u>
Expenditures:		
Capital projects	<u>30,146</u>	<u>185,791</u>
Total expenditures	<u>30,146</u>	<u>185,791</u>
Excess (deficiency) of revenues over expenditures	<u>304,302</u>	<u>(148,880)</u>
Net change in fund balance	<u>304,302</u>	<u>(148,880)</u>
Fund balance at beginning of year	<u>395,754</u>	<u>544,634</u>
Fund balance at end of year	<u><u>\$700,056</u></u>	<u><u>\$ 395,754</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 859,461</u>	<u>\$333,543</u>	<u>\$ (525,918)</u>
Total revenues	<u>859,461</u>	<u>333,543</u>	<u>(525,918)</u>
Expenditures:			
Capital projects	<u>932,983</u>	<u>30,146</u>	<u>902,837</u>
Total expenditures	<u>932,983</u>	<u>30,146</u>	<u>902,837</u>
Net change in fund balance	<u><u>\$ (73,522)</u></u>	<u>303,397</u>	<u><u>\$ 376,919</u></u>
Reconciliation to GAAP basis:			
Unbudgeted investment earnings		905	
Fund balance at beginning of year - GAAP basis		<u>395,754</u>	
Fund balance at end of year - GAAP basis		<u><u>\$700,056</u></u>	

CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010

	2011	2010
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,465,630	\$14,462,699
Equity in pooled cash	34,242	48,568
Investments	7,233,335	-
Receivables:		
Accrued interest	-	1,901
Due from other governments	2,121,935	2,523,193
Total assets	<u>\$13,855,142</u>	<u>\$17,036,361</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 810,166	\$ 2,103,946
Retainage payable	191,611	327,977
Deferred revenue	-	221,568
Total liabilities	<u>1,001,777</u>	<u>2,653,491</u>
Fund balance:		
Restricted	<u>12,853,365</u>	<u>14,382,870</u>
Total fund balance	<u>12,853,365</u>	<u>14,382,870</u>
Total liabilities and fund balance	<u>\$13,855,142</u>	<u>\$17,036,361</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Investment earnings	\$ 8,350	\$ 40,482
Intergovernmental	<u>9,884,492</u>	<u>10,186,055</u>
Total revenues	<u>9,892,842</u>	<u>10,226,537</u>
Expenditures:		
Capital projects	7,308,067	11,392,973
Debt Service		
Principal retirement	3,775,000	675,000
Interest and fiscal charges	<u>339,280</u>	<u>364,322</u>
Total expenditures	<u>11,422,347</u>	<u>12,432,295</u>
Excess (deficiency) of revenues over expenditures	<u>(1,529,505)</u>	<u>(2,205,758)</u>
Net change in fund balance	<u>(1,529,505)</u>	<u>(2,205,758)</u>
Fund balance at beginning of year	<u>14,382,870</u>	<u>16,588,628</u>
Fund balance at end of year	<u><u>\$ 12,853,365</u></u>	<u><u>\$ 14,382,870</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CITYWIDE PROJECTS
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u> (As Restated)
<u>ASSETS</u>		
Cash with fiscal agent	\$ 8,679,512	\$20,987,224
Due from other funds	-	860,000
Total assets	<u>\$ 8,679,512</u>	<u>\$21,847,224</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 16	\$ 516
Total liabilities	<u>16</u>	<u>516</u>
Fund balance:		
Restricted	<u>8,679,496</u>	<u>21,846,708</u>
Total fund balance	<u>8,679,496</u>	<u>21,846,708</u>
Total liabilities and fund balance	<u>\$ 8,679,512</u>	<u>\$21,847,224</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITYWIDE PROJECTS
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010 (As Restated)
Revenues:		
Investment earnings	\$ 195	\$ -
Total revenues	195	-
Expenditures:		
Debt Service		
Interest and fiscal charges	-	616,430
Total expenditures	-	616,430
Excess (deficiency) of revenues over expenditures	195	(616,430)
Other financing sources (uses):		
Bond proceeds	-	34,109,492
Transfers in	-	860,000
Transfers out	(13,167,407)	(12,506,354)
Net change in fund balance	(13,167,212)	21,846,708
Fund balance at beginning of year	21,846,708	-
Fund balance at end of year	\$ 8,679,496	\$ 21,846,708

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITYWIDE PROJECTS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Other financing sources (uses):			
Transfers out	\$ (860,000)	\$ (13,167,407)	\$ (12,307,407)
Net change in fund balance	<u>\$ (860,000)</u>	<u>(13,167,407)</u>	<u>\$ (12,307,407)</u>
Reconciliation to GAAP basis:			
Unbudgeted investment earnings		195	
Fund balance at beginning of year - GAAP basis		<u>21,846,708</u>	
Fund balance at end of year - GAAP basis		<u>\$ 8,679,496</u>	

**CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 9,433,225	\$23,998,055
Investments	<u>12,884,713</u>	<u>-</u>
Total assets	<u><u>\$22,317,938</u></u>	<u><u>\$23,998,055</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 130,780	\$ -
Retainage payable	<u>63,615</u>	<u>-</u>
Total liabilities	<u>194,395</u>	<u>-</u>
Fund balance:		
Restricted	<u>22,123,543</u>	<u>23,998,055</u>
Total fund balance	<u>22,123,543</u>	<u>23,998,055</u>
Total liabilities and fund balance	<u><u>\$22,317,938</u></u>	<u><u>\$23,998,055</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues:		
Investment earnings	\$ 3,628	\$ 25,000
Miscellaneous revenue	9,600	-
Total revenues	<u>13,228</u>	<u>25,000</u>
Expenditures:		
Capital projects	1,887,740	2,785,096
Debt Service:		
Interest and fiscal charges	<u>-</u>	<u>213,552</u>
Total expenditures	<u>1,887,740</u>	<u>2,998,648</u>
Excess (deficiency) of revenues over expenditures	<u>(1,874,512)</u>	<u>(2,973,648)</u>
Other financing sources (uses):		
Proceeds of refunding bonds	<u>-</u>	<u>26,971,703</u>
Net change in fund balance	(1,874,512)	23,998,055
Fund balance at beginning of year	<u>23,998,055</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 22,123,543</u></u>	<u><u>\$ 23,998,055</u></u>

See accompanying notes to financial statements.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation and maintenance of government facilities and services which are predominantly or entirely self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

BOARD OF LIGHTS AND WATERWORKS FUND – To account for the operations of the electric and water distribution, and sewer collection systems. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection. The different enterprise funds are combined as allowed by the State Statute for Combined Public Utilities Systems.

CITY GOLF COURSE FUND – To account for the receipts and disbursements of monies from the operation of the City golf course.

MARIETTA CONFERENCE CENTER AND RESORT FUND – To account for the assets of the City's conference center.

CITY OF MARIETTA, GEORGIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	Board of Lights and Waterworks	City Golf Course	Marietta Conference Center & Resort	Totals	
				2011	2010 (As Restated)
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 554,252	\$ 3,734	\$ -	\$ 557,986	\$ 1,647,664
Equity in pooled cash	700,635	-	-	700,635	417,411
Investments	27,644,072	-	59	27,644,131	9,854,989
Receivables, net	17,194,972	12,506	-	17,207,478	16,722,142
Due from other funds	6,843,012	-	127,968	6,970,980	7,439,737
Inventories, at cost	2,997,457	-	124,788	3,122,245	2,964,996
Prepaid expense	6,151	5,322	-	11,473	189
Total current assets	55,940,551	21,562	252,815	56,214,928	39,047,128
Noncurrent assets:					
Restricted assets:					
Investments	7,597,559	-	-	7,597,559	7,247,245
Property, plant and equipment:					
Land and land improvements	1,382,976	6,600,000	769,284	8,752,260	8,752,260
Buildings and improvements	15,913,521	2,033,342	23,326,210	41,273,073	41,187,588
Electrical plant in service	106,031,046	-	-	106,031,046	100,765,319
Water and sewer system	77,993,202	-	-	77,993,202	75,528,730
Machinery and equipment	50,833,441	3,618,466	12,354,692	66,806,599	64,061,209
	252,154,186	12,251,808	36,450,186	300,856,180	290,295,106
Less: accumulated depreciation	(128,418,760)	(4,318,290)	(18,686,786)	(151,423,836)	(143,563,859)
Net property, plant and equipment	123,735,426	7,933,518	17,763,400	149,432,344	146,731,247
Other assets:					
Advances to other funds	-	-	-	-	8,977,685
Unamortized costs	-	64,767	-	64,767	81,304
Investment in Project	3,729,966	-	-	3,729,966	3,729,966
	3,729,966	64,767	-	3,794,733	12,788,955
Total noncurrent assets	135,062,951	7,998,285	17,763,400	160,824,636	166,767,447
Total assets	\$191,003,502	\$8,019,847	\$ 18,016,215	\$217,039,564	\$205,814,575

CITY OF MARIETTA, GEORGIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS (CONT'D)
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	Board of Lights and Waterworks	City Golf Course	Marietta Conference Center & Resort	Totals	
				2011	2010 (As Restated)
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 10,876,129	\$ 53,970	\$ -	\$ 10,930,099	\$ 10,900,034
Accrued salaries	221,411	-	-	221,411	431,451
Accrued sales tax	568,256	-	-	568,256	623,465
Accrued compensated absences	310,585	-	-	310,585	296,546
Due to other funds	-	1,211,187	8,209,375	9,420,562	4,786,132
Capital lease obligations	-	775,459	-	775,459	706,846
Accrued interest payable	-	48,387	-	48,387	57,314
Total current liabilities	11,976,381	2,089,003	8,209,375	22,274,759	17,801,788
Long-term liabilities (net of current portion):					
Accrued compensated absences	517,268	-	-	517,268	498,247
Deferred revenue	1,761,337	-	-	1,761,337	516,340
Net pension obligation	304,734	-	-	304,734	195,786
Net OPEB obligation	6,647,807	-	-	6,647,807	4,150,396
Customer deposits	7,597,559	-	-	7,597,559	7,247,245
Capital lease obligations	-	2,688,654	-	2,688,654	3,416,277
Advances from other funds	-	-	20,379,779	20,379,779	27,721,425
Total long-term liabilities	16,828,705	2,688,654	20,379,779	39,897,138	43,745,716
Total liabilities	28,805,086	4,777,657	28,589,154	62,171,897	61,547,504
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	123,735,426	4,469,405	17,763,400	145,968,231	142,608,124
Unrestricted	38,462,990	(1,227,215)	(28,336,339)	8,899,436	1,658,947
Total net assets	\$ 162,198,416	\$ 3,242,190	\$ (10,572,939)	\$ 154,867,667	\$ 144,267,071

CITY OF MARIETTA, GEORGIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Board of Lights and Waterworks	City Golf Course	Marietta Conference Center & Resort	Totals	
				2011	2010 (As Restated)
Operating revenues:					
Charges for services	\$134,613,838	\$1,629,928	\$ -	\$136,243,766	\$127,407,223
Lease income	-	-	2,240,303	2,240,303	1,942,774
Other	1,285,282	-	-	1,285,282	1,277,575
Total operating revenues	135,899,120	1,629,928	2,240,303	139,769,351	130,627,572
Operating expenses:					
Personal services	17,034,367	-	-	17,034,367	16,456,159
Operating	92,147,147	1,230,589	951	93,378,687	86,607,657
Other	902,900	-	-	902,900	915,876
Depreciation	6,156,132	194,953	1,508,891	7,859,976	10,122,561
Total operating expenses	116,240,546	1,425,542	1,509,842	119,175,930	114,102,253
Operating income	19,658,574	204,386	730,461	20,593,421	16,525,319
Nonoperating revenues (expenses):					
Investment earnings	539,566	-	1	539,567	223,404
Interest and fiscal charges	-	(151,544)	(41,976)	(193,520)	(1,001,337)
Swap termination fee	-	-	-	-	(5,111,000)
Gain (loss) on sale of capital assets	444,084	-	-	444,084	112,862
Gain on extinguishment of debt	-	-	-	-	168,042
Other	10,604	-	-	10,604	10,604
Total nonoperating revenues (expenses)	994,254	(151,544)	(41,975)	800,735	(5,597,425)
Capital contributions from developers	77,154	-	-	77,154	237,175
Income (loss) before transfers	20,729,982	52,842	688,486	21,471,310	11,165,069
Transfers:					
Transfers in	15,323,646	398,670	564,325	16,286,641	16,534,962
Transfers out	(27,132,335)	(25,020)	-	(27,157,355)	(26,751,242)
Total transfers	(11,808,689)	373,650	564,325	(10,870,714)	(10,216,280)
Change in net assets	8,921,293	426,492	1,252,811	10,600,596	948,789
Net assets at beginning of year	153,277,123	2,815,698	(11,825,750)	144,267,071	143,318,282
Net assets at end of year	\$162,198,416	\$3,242,190	\$ (10,572,939)	\$154,867,667	\$144,267,071

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Board of Lights and Waterworks	City Golf Course	Marietta Conference Center & Resort	Totals	
				2011	2010 (As Restated)
Cash flows from operating activities:					
Cash received from customers	\$ 138,710,978	\$ 1,627,555	\$ -	\$ 140,338,533	\$ 124,555,248
Cash received from other operating activities	1,285,282	-	-	1,285,282	1,277,575
Cash received from lease	-	-	2,240,303	2,240,303	1,942,774
Cash payments goods and services	(93,213,339)	(1,196,507)	(6,741)	(94,416,587)	(87,939,460)
Cash payments for employee services and fringe benefits	(14,604,988)	-	-	(14,604,988)	(14,191,333)
Net cash from (to) operating activities	32,177,933	431,048	2,233,562	34,842,543	25,644,804
Cash flows from noncapital financing activities:					
Transfers in	15,323,646	398,670	564,325	16,286,641	16,534,962
Transfers out	(27,132,335)	(25,020)	-	(27,157,355)	(26,751,242)
Net cash from (to) noncapital financing activities	(11,808,689)	373,650	564,325	(10,870,714)	(10,216,280)
Cash flows from capital and related financing activities:					
Payments for capital acquisitions	(10,478,920)	(5,000)	-	(10,483,920)	(12,396,262)
Advances from (to) other funds	6,522,926	-	(2,804,627)	3,718,299	4,969,690
Payments on capital leases	-	(659,009)	-	(659,009)	(631,451)
Proceeds from fixed asset sales	444,084	-	-	444,084	112,862
Cash received from other funds	-	-	183,416	183,416	2,937,209
Bond principal payments	-	-	-	-	(1,045,000)
Swap termination fee	-	-	-	-	(5,111,000)
Interest and fiscal charges	-	(143,935)	(186,658)	(330,593)	(1,096,883)
Net cash from (to) capital and related financing activities	(3,511,910)	(807,944)	(2,807,869)	(7,127,723)	(12,260,835)
Cash flows from investing activities:					
Rental income received (paid)	10,604	-	-	10,604	10,604
Investment income received (paid)	478,291	-	1	478,292	189,836
Investment (purchases) sales	(18,139,456)	-	-	(18,139,456)	(3,156,584)
Net cash from (to) investing activities	(17,650,561)	-	1	(17,650,560)	(2,956,144)
Net increase (decrease) in cash and cash equivalents	(793,227)	(3,246)	(9,981)	(806,454)	211,545
Cash and cash equivalents at beginning of year:					
Cash	1,630,703	6,980	-	1,637,683	170,970
Equity in pooled cash	417,411	-	9,981	427,392	1,682,560
Total cash and cash equivalents, beginning of year	2,048,114	6,980	9,981	2,065,075	1,853,530
Cash and cash equivalents at end of year:					
Cash	554,252	3,734	-	557,986	1,647,664
Equity in pooled cash	700,635	-	-	700,635	417,411
Total cash and cash equivalents, end of year	\$ 1,254,887	\$ 3,734	\$ -	\$ 1,258,621	\$ 2,065,075

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Board of Lights and Waterworks	City Golf Course	Marietta Conference Center & Resort	Totals	
				2011	2010 (As Restated)
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 19,658,574	\$ 204,386	\$ 730,461	\$ 20,593,421	\$ 16,525,319
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	6,156,132	194,953	1,508,891	7,859,976	10,122,561
Advances reclassified as Due from other Funds	2,364,628	-	-	2,364,628	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(2,373)	-	(2,373)	(3,963)
(Increase) decrease in utility accounts receivable	(331,556)	-	-	(331,556)	(1,854,760)
(Increase) decrease in due from other funds	468,757	-	-	468,757	(2,043,711)
(Increase) decrease in inventories	(151,459)	-	(5,790)	(157,249)	475,844
(Increase) decrease in prepaid expense	(6,151)	(5,133)	-	(11,284)	(189)
(Increase) decrease in net pension asset/obligation	108,948	-	-	108,948	(92,298)
Increase (decrease) in accounts payable	49,527	(19,462)	-	30,065	(1,112,877)
Increase (decrease) in accrued salaries	(210,040)	-	-	(210,040)	52,828
Increase (decrease) in accrued sales tax	(55,209)	-	-	(55,209)	105,365
Increase (decrease) in accrued compensated absences	33,060	-	-	33,060	(16,746)
Increase (decrease) in other accrued expenses	-	-	-	-	(21,330)
Increase (decrease) in due to other funds	-	58,677	-	58,677	137,260
Increase (decrease) deferred revenue	1,244,997	-	-	1,244,997	516,340
Increase (decrease) in net OPEB obligation	2,497,411	-	-	2,497,411	2,321,042
Increase (decrease) in customer deposits	350,314	-	-	350,314	534,119
Net cash from (to) operating activities	<u>\$ 32,177,933</u>	<u>\$ 431,048</u>	<u>\$ 2,233,562</u>	<u>\$ 34,842,543</u>	<u>\$ 25,644,804</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During 2011, assets contributed by developers totaled \$77,154 in the Board of Lights and Waterworks.

During 2010, assets contributed by developers totaled \$237,175 in the Board of Lights and Waterworks.

During 2011, \$2,364,628 in Advances were reclassified as Due from other Funds since the City intends to repay this amount by June 30, 2012 in the Board of Lights and Waterworks.

During 2010, investment in MCCR bonds outstanding totaling \$15,617,166 was reclassified as Advances when the bonds were cancelled in the Board of Lights and Waterworks.

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u> (As Restated)
Current assets:		
Cash and cash equivalents	\$ 554,252	\$ 1,630,703
Equity in pooled cash	700,635	417,411
Investments	27,644,072	9,854,930
Receivables:		
Accrued interest	187,917	36,510
Utility accounts (net of allowance for estimated uncollectibles of \$498,000 and \$498,000)	17,007,055	16,675,499
Due from other funds	6,843,012	7,311,769
Inventories	2,997,457	2,845,998
Prepaid expenses	6,151	-
Total current assets	<u>55,940,551</u>	<u>38,772,820</u>
Noncurrent assets:		
Restricted assets:		
Investments	<u>7,597,559</u>	<u>7,247,245</u>
Property, plant and equipment:		
Land	1,382,976	1,382,976
Buildings and improvements	15,913,521	15,833,036
Electrical plant in service	106,031,046	100,765,319
Water and sewer system	77,993,202	75,528,730
Machinery and equipment	50,833,441	48,088,051
	<u>252,154,186</u>	<u>241,598,112</u>
Less: accumulated depreciation	<u>(128,418,760)</u>	<u>(122,262,627)</u>
Net property, plant and equipment	<u>123,735,426</u>	<u>119,335,485</u>
Other assets:		
Advances to other funds	-	8,977,685
Investment in Project	<u>3,729,966</u>	<u>3,729,966</u>
Total other assets	<u>3,729,966</u>	<u>12,707,651</u>
Total noncurrent assets	<u>135,062,951</u>	<u>139,290,381</u>
Total assets	<u>\$ 191,003,502</u>	<u>\$ 178,063,201</u>

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS (CONT'D)
JUNE 30, 2011 AND 2010

<hr/>		
<u>LIABILITIES</u>		
	<u>2011</u>	<u>2010</u> (As Restated)
Liabilities:		
Current liabilities:		
Accounts payable	\$ 10,876,129	\$ 10,826,602
Accrued salaries and employee benefits	221,411	431,451
Accrued sales tax	568,256	623,465
Accrued compensated absences	310,585	296,546
	<u>11,976,381</u>	<u>12,178,064</u>
Total current liabilities		
Long-term liabilities (net of current portion):		
Accrued compensated absences	517,268	498,247
Deferred revenue	1,761,337	516,340
Net pension obligation	304,734	195,786
Net OPEB obligation	6,647,807	4,150,396
Customer deposits	7,597,559	7,247,245
	<u>16,828,705</u>	<u>12,608,014</u>
Total long-term liabilities (net of current portion)		
Total liabilities	<u>28,805,086</u>	<u>24,786,078</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	123,735,426	119,335,485
Unrestricted	38,462,990	33,941,638
	<u>\$162,198,416</u>	<u>\$153,277,123</u>
Total net assets		

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011 AND 2010

	2011	2010 (As Restated)
Operating revenues:		
Charges for services	\$134,613,838	\$125,890,257
Other	1,285,282	1,277,575
Total operating revenues	135,899,120	127,167,832
Operating expenses:		
Personal services	17,034,367	16,456,159
Operating	92,147,147	85,241,014
Other	902,900	915,876
Depreciation	6,156,132	8,313,028
Total operating expenses	116,240,546	110,926,077
Operating income	19,658,574	16,241,755
Nonoperating revenues (expenses):		
Investment earnings	539,566	223,313
Gain (loss) on sale of assets	444,084	112,862
Other	10,604	10,604
Total nonoperating revenues (expenses)	994,254	346,779
Capital contributions from developers	77,154	237,175
Income before transfers	20,729,982	16,825,709
Transfers:		
Transfers in	15,323,646	15,612,888
Transfers out	(27,132,335)	(26,726,221)
Total transfers in (out)	(11,808,689)	(11,113,333)
Change in net assets	8,921,293	5,712,376
Net assets at beginning of year	153,277,123	147,564,747
Net assets at end of year	\$162,198,416	\$153,277,123

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010 (As Restated)
Cash flows from operating activities:		
Cash received from customers	\$ 138,710,978	\$ 123,042,245
Cash received from other operating activities	1,285,282	1,277,575
Cash payments for goods and services	(93,213,339)	(86,816,518)
Cash payments for employee services and fringe benefits	(14,604,988)	(14,191,333)
Net cash from (to) operating activities	<u>32,177,933</u>	<u>23,311,969</u>
Cash flows from noncapital financing activities:		
Transfers in	15,323,646	15,612,888
Transfers out	(27,132,335)	(26,726,221)
Net cash from (to) noncapital financing activities	<u>(11,808,689)</u>	<u>(11,113,333)</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(10,478,920)	(12,385,025)
Advances from (to) other funds	6,522,926	6,639,481
Proceeds from sale of assets	444,084	112,862
Net cash from (to) capital and related financing activities	<u>(3,511,910)</u>	<u>(5,632,682)</u>
Cash flows from investing activities:		
Rental income received	10,604	10,604
Interest received	478,291	189,745
Investment (purchases) sales	(18,139,456)	(6,566,395)
Net cash from (to) investing activities	<u>(17,650,561)</u>	<u>(6,366,046)</u>
Net increase (decrease) in cash and cash equivalents	(793,227)	199,908
Cash and cash equivalents at beginning of year:		
Cash	1,630,703	165,646
Equity in pooled cash	417,411	1,682,560
Total cash and cash equivalents, beginning of year	<u>2,048,114</u>	<u>1,848,206</u>
Cash and cash equivalents at end of year:		
Cash	554,252	1,630,703
Equity in pooled cash	700,635	417,411
Total cash and cash equivalents, end of year	<u>\$ 1,254,887</u>	<u>\$ 2,048,114</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 19,658,574	\$ 16,241,755
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	6,156,132	8,313,028
Advances reclassified as Due from other Funds	2,364,628	-
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(331,556)	(1,854,760)
(Increase) decrease in due from other funds	468,757	(2,043,711)
(Increase) decrease in inventories	(151,459)	338,533
(Increase) decrease in prepaid expenses	(6,151)	-
(Increase) decrease in net pension asset/obligation	108,948	(92,298)
Increase (decrease) in accounts payable	49,527	(1,103,526)
Increase (decrease) in accrued salaries	(210,040)	52,828
Increase (decrease) in accrued sales tax	(55,209)	105,365
Increase (decrease) in accrued compensated absences	33,060	(16,746)
Increase (decrease) in net OPEB obligation	2,497,411	2,321,042
Increase (decrease) in deferred revenue	1,244,997	516,340
Increase (decrease) in customer deposits	350,314	534,119
Net cash from operating activities	<u>\$ 32,177,933</u>	<u>\$ 23,311,969</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During 2011, assets contributed by developers totaled \$77,154.

During 2011, \$2,364,628 in Advances were reclassified as Due from other Funds since the City intends to repay this amount by June 30, 2012.

During 2010, assets contributed by developers totaled \$237,175.

During 2010, investment in MCCR bonds outstanding totaling \$15,617,166 was reclassified as Advances when the bonds were cancelled.

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

	<u>ASSETS</u>	2011	2010
Current assets:			
Cash		\$ 3,734	\$ 6,980
Accounts receivable		12,506	10,133
Prepaid expense		5,322	189
Total current assets		21,562	17,302
Noncurrent assets:			
Property, plant and equipment:			
Land		6,600,000	6,600,000
Buildings and improvements		2,033,342	2,028,342
Machinery and equipment		3,618,466	3,618,466
		12,251,808	12,246,808
Less: accumulated depreciation		(4,318,290)	(4,123,337)
Net property, plant and equipment		7,933,518	8,123,471
Other assets:			
Unamortized bond costs		64,767	81,304
Total noncurrent assets		7,998,285	8,204,775
Total assets		8,019,847	8,222,077
	<u>LIABILITIES</u>		
Liabilities:			
Current liabilities:			
Accounts payable		\$ 53,970	\$ 73,432
Due to other funds		1,211,187	1,152,510
Capital lease obligations		775,459	706,846
Accrued interest payable		48,387	57,314
Total current liabilities		2,089,003	1,990,102
Long-term liabilities (net of current portion):			
Capital lease obligations (net of deferred loss of \$191,346 and \$239,182)		2,688,654	3,416,277
Total long-term liabilities		2,688,654	3,416,277
Total liabilities		4,777,657	5,406,379
	<u>NET ASSETS</u>		
Invested in capital assets, net of related debt		4,469,405	4,000,348
Unrestricted		(1,227,215)	(1,184,650)
Total net assets		\$ 3,242,190	\$ 2,815,698

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Charges for services	<u>\$ 1,629,928</u>	<u>\$ 1,516,966</u>
Operating expenses:		
Operating	1,230,589	1,207,871
Depreciation	<u>194,953</u>	<u>203,322</u>
Total operating expenses	<u>1,425,542</u>	<u>1,411,193</u>
Operating income (loss)	<u>204,386</u>	<u>105,773</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	<u>(151,544)</u>	<u>(188,318)</u>
Total nonoperating revenues (expenses)	<u>(151,544)</u>	<u>(188,318)</u>
Income (loss) before operating transfers	<u>52,842</u>	<u>(82,545)</u>
Transfers:		
Transfers in	398,670	399,345
Transfers out	<u>(25,020)</u>	<u>(25,021)</u>
Total transfers	<u>373,650</u>	<u>374,324</u>
Change in net assets	426,492	291,779
Net assets at beginning of year	<u>2,815,698</u>	<u>2,523,919</u>
Net assets at end of year	<u><u>\$ 3,242,190</u></u>	<u><u>\$ 2,815,698</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,627,555	\$ 1,513,003
Cash payments for goods and services	(1,196,507)	(1,062,611)
Net cash from (to) operating activities	431,048	450,392
Cash flows from (to) noncapital financing activities:		
Transfers in	398,670	399,345
Transfers out	(25,020)	(25,021)
Net cash from (to) noncapital financing activities	373,650	374,324
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(5,000)	(11,237)
Payments on capital leases	(659,009)	(631,451)
Interest and fiscal charges	(143,935)	(180,372)
Net cash from (to) capital related financing activities	(807,944)	(823,060)
Net increase (decrease) in cash and cash equivalents	(3,246)	1,656
Cash and cash equivalents at beginning of year	6,980	5,324
Cash and cash equivalents at end of year	\$ 3,734	\$ 6,980
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 204,386	\$ 105,773
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	194,953	203,322
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,373)	(3,963)
(Increase) decrease in prepaid expense	(5,133)	(189)
(Increase) decrease in due from other funds	-	-
Increase (decrease) in due to other funds	58,677	137,260
Increase (decrease) in accounts payable	(19,462)	8,189
Net cash from (to) operating activities	\$ 431,048	\$ 450,392

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ -	\$ 9,981
Unrestricted investments	59	59
Due from other funds	127,968	127,968
Inventories, at cost	<u>124,788</u>	<u>118,998</u>
Total current assets	<u>252,815</u>	<u>257,006</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	769,284	769,284
Buildings and improvements	23,326,210	23,326,210
Machinery and equipment	<u>12,354,692</u>	<u>12,354,692</u>
	36,450,186	36,450,186
Less: accumulated depreciation	<u>(18,686,786)</u>	<u>(17,177,895)</u>
Net property, plant and equipment	<u>17,763,400</u>	<u>19,272,291</u>
Total noncurrent assets	<u>17,763,400</u>	<u>19,272,291</u>
Total assets	<u>\$18,016,215</u>	<u>\$19,529,297</u>

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS (CONT'D)
JUNE 30, 2011 AND 2010

<u>LIABILITIES</u>		
	<u>2011</u>	<u>2010</u>
Liabilities:		
Current liabilities:		
Due to other funds	<u>\$ 8,209,375</u>	<u>\$ 3,633,623</u>
Total current liabilities	<u>8,209,375</u>	<u>3,633,623</u>
Long-term liabilities:		
Advances from other funds	<u>20,379,779</u>	<u>27,721,424</u>
Total long-term liabilities	<u>20,379,779</u>	<u>27,721,424</u>
Total liabilities	<u>28,589,154</u>	<u>31,355,047</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	17,763,400	19,272,291
Unrestricted	<u>(28,336,339)</u>	<u>(31,098,041)</u>
Total net assets	<u><u>\$(10,572,939)</u></u>	<u><u>\$ (11,825,750)</u></u>

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Operating revenues:		
Lease income	\$ 2,240,303	\$ 1,942,774
Operating expenses:		
Operating	951	158,772
Depreciation	1,508,891	1,606,211
Total operating expenses	1,509,842	1,764,983
Operating income (loss)	730,461	177,791
Nonoperating revenues (expenses) :		
Investment earnings	1	91
Interest and fiscal charges	(41,976)	(813,019)
Swap termination fee	-	(5,111,000)
Gain on extinguishment of debt	-	168,042
Total nonoperating revenues (expense)	(41,975)	(5,755,886)
Income (loss) before operating transfers	688,486	(5,578,095)
Transfers:		
Transfers in	564,325	522,729
Total transfers	564,325	522,729
Change in net assets	1,252,811	(5,055,366)
Net assets at beginning of year	(11,825,750)	(6,770,384)
Net assets at end of year	\$(10,572,939)	\$(11,825,750)

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flows from operating activities:		
Cash received from lease	\$ 2,240,303	\$ 1,942,774
Cash payments for goods and services	(6,741)	(60,331)
Net cash from (to) operating activities	2,233,562	1,882,443
Cash flows from noncapital financing activities:		
Transfers in	564,325	522,729
Net cash from (to) noncapital financing	564,325	522,729
Cash flows from capital and related financing activities:		
Advances from other funds	(2,804,627)	(1,669,791)
Bond principal payments	-	(1,045,000)
Swap termination fee	-	(5,111,000)
Interest and fiscal charges	(186,658)	(916,511)
Cash received from other funds	183,416	2,937,209
Net cash from (to) capital and related financing activities	(2,807,869)	(5,805,093)
Cash flows from investing activities:		
Investment income received	1	91
Investment (purchases) sales	-	3,409,811
Net cash from (to) investing activities	1	3,409,902
Net increase (decrease) in cash and cash equivalents	(9,981)	9,981
Cash and cash equivalents at beginning of year	9,981	-
Total cash and cash equivalents, end of year	\$ -	\$ 9,981
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 730,461	\$ 177,791
Adjustments to reconcile operating income to net cash from operating activities:		
Noncash transactions		
Depreciation	1,508,891	1,606,211
Change in assets and liabilities:		
(Increase) decrease in inventories	(5,790)	137,311
Increase (decrease) in accounts payable	-	(17,540)
Increase (decrease) in other accrued expenses	-	(21,330)
Net cash from (to) operating activities	\$ 2,233,562	\$ 1,882,443

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During 2010, gain on extinguishment of debt totaled \$168,042.

During 2010, bonds outstanding totaling \$29,375,000 were cancelled and discharged.

The bonds had been held by the City's General, BLW, and Debt Service Funds.

When the bonds were discharged, the outstanding balance was reclassified as an

Advance between these respective funds.

During 2010, interest accruing on outstanding advances totaled \$16,216.

During 2011, \$4,392,336 of Advances were reclassified as Due to other Funds since the City intends to repay this amount by June 30, 2012.

INTERNAL SERVICES FUNDS

Internal Services Funds account for services performed by a central service department for other departments or agencies of the government unit. The City has the following Internal Services Funds.

SELF-INSURANCE FUND – This fund is for the purpose of providing self-funding for casualty, liability, workers' compensation and medical claims.

MOTOR TRANSPORT FUND – This fund provides repair and maintenance services for vehicles owned by various City departments. The Motor Transport Fund bills the individual funds for the services rendered.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	Self- Insurance	Motor Transport	Totals	
			2011	2010
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 686,874	\$ -	\$ 686,874	\$ 2,712,683
Equity in pooled cash	-	-	-	2,893,843
Investments	6,461,750	-	6,461,750	4,263,092
Receivables, net	116,030	-	116,030	154,305
Due from other governments	-	7,827	7,827	5,159
Inventories	-	74,047	74,047	101,965
Total current assets	7,264,654	81,874	7,346,528	10,131,047
Property, plant and equipment:				
Buildings and improvements	-	496,340	496,340	496,340
Machinery and equipment	-	1,021,735	1,021,735	1,017,630
Less: accumulated depreciation	-	(828,392)	(828,392)	(785,028)
Net property, plant and equipment	-	689,683	689,683	728,942
Total assets	7,264,654	771,557	8,036,211	10,859,989
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	269,631	532,518	802,149	312,424
Claims and judgements payable	2,609,984	-	2,609,984	2,162,843
Accrued salaries	-	11,065	11,065	21,953
Accrued compensated absences	-	13,384	13,384	10,985
Due to other funds	2,620,552	77,862	2,698,414	6,555,837
Total current liabilities	5,500,167	634,829	6,134,996	9,064,042
Long-term liabilities (net of current portion):				
Accrued compensated absences	-	15,859	15,859	12,730
Total liabilities	5,500,167	650,688	6,150,855	9,076,772
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	-	689,683	689,683	728,942
Unrestricted	1,764,487	(568,814)	1,195,673	1,054,275
Total net assets	\$1,764,487	\$ 120,869	\$1,885,356	\$ 1,783,217

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Self- Insurance	Motor Transport	Totals	
			2011	2010
Operating revenues:				
Charges for services	\$ -	\$ 3,189,132	\$ 3,189,132	\$ 3,176,689
Contributions	8,677,255	-	8,677,255	8,604,600
Other	159,858	13,615	173,473	222,888
Total operating revenues	8,837,113	3,202,747	12,039,860	12,004,177
Operating expenses:				
Personal services	-	731,265	731,265	713,525
Operating services	1,973,228	2,612,106	4,585,334	3,994,933
Depreciation	-	43,364	43,364	45,672
Benefits and claims	8,712,727	-	8,712,727	8,542,200
Total operating expenses	10,685,955	3,386,735	14,072,690	13,296,330
Operating income (loss)	(1,848,842)	(183,988)	(2,032,830)	(1,292,153)
Nonoperating revenues (expenses) :				
Investment earnings	54,404	-	54,404	83,198
Other nonoperating expense	-	(1,221,939)	(1,221,939)	-
Total nonoperating revenues (expenses)	54,404	(1,221,939)	(1,167,535)	83,198
Transfers:				
Transfers in	1,643,826	1,726,372	3,370,198	1,325,946
Transfers out	(47,891)	(19,803)	(67,694)	(90,574)
Total transfers	1,595,935	1,706,569	3,302,504	1,235,372
Change in net assets	(198,503)	300,642	102,139	26,417
Net assets at beginning of year	1,962,990	(179,773)	1,783,217	1,756,800
Net assets at end of year	\$ 1,764,487	\$ 120,869	\$ 1,885,356	\$ 1,783,217

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Self-Insurance	Motor Transport	Totals	
			2011	2010
Cash flow from operating activities:				
Cash received from contributions and services provided	\$ 8,719,856	\$ 3,200,079	\$ 11,919,935	\$ 11,777,522
Cash payments for goods and services	(1,860,386)	(2,943,979)	(4,804,365)	(4,133,785)
Cash payments for employee services and fringes	-	(736,625)	(736,625)	(712,367)
Cash payments for benefits and claims	(8,265,586)	-	(8,265,586)	(8,555,132)
Cash payments for other operating activities	159,858	-	159,858	218,956
Cash received from (payments to) other funds	(3,120,749)	-	(3,120,749)	2,610,113
Net Cash from (to) operating activities	<u>(4,367,007)</u>	<u>(480,525)</u>	<u>(4,847,532)</u>	<u>1,205,307</u>
Cash flows from noncapital financing activities				
Transfers in	1,643,826	1,726,372	3,370,198	1,325,946
Transfers out	(47,891)	(19,803)	(67,694)	(90,574)
Net transfers in (out) from noncapital financing activities	<u>1,595,935</u>	<u>1,706,569</u>	<u>3,302,504</u>	<u>1,235,372</u>
Cash flows from capital and related financing activities				
Payments for capital acquisitions	-	(1,226,044)	(1,226,044)	(3,128)
Net cash from (to) capital and related financing activities	<u>-</u>	<u>(1,226,044)</u>	<u>(1,226,044)</u>	<u>(3,128)</u>
Cash flows from investing activities				
Interest received	50,078	-	50,078	85,240
Investments (purchased) sold	(2,198,658)	-	(2,198,658)	(804,936)
Net cash from (to) investing activities	<u>(2,148,580)</u>	<u>-</u>	<u>(2,148,580)</u>	<u>(719,696)</u>
Net increase (decrease) in cash and cash equivalents	(4,919,652)	-	(4,919,652)	1,717,855
Cash and cash equivalents at beginning of year	5,606,526	-	5,606,526	3,888,671
Cash and cash equivalents at end of year	<u>\$ 686,874</u>	<u>\$ -</u>	<u>\$ 686,874</u>	<u>\$ 5,606,526</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (1,848,842)	\$ (183,988)	\$ (2,032,830)	\$ (1,292,153)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	-	43,364	43,364	45,672
Changes in assets and liabilities:				
(Increase) decrease in contributions receivable	42,601	-	42,601	(3,705)
(Increase) decrease in due from other governments	-	(2,668)	(2,668)	(3,994)
(Increase) decrease in inventories	-	27,918	27,918	(54,374)
Increase (decrease) in accounts payable	112,842	376,883	489,725	(34,815)
Increase (decrease) in accrued salaries	-	(10,888)	(10,888)	3,016
Increase (decrease) in accrued compensated absences	-	5,528	5,528	(1,858)
Increase (decrease) in due to other funds	(3,120,749)	(736,674)	(3,857,423)	2,560,450
Increase (decrease) in claims and judgements payable	447,141	-	447,141	(12,932)
Net cash from (to) operating activities	<u>\$ (4,367,007)</u>	<u>\$ (480,525)</u>	<u>\$ (4,847,532)</u>	<u>\$ 1,205,307</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During 2011, capital assets totaling \$1,221,939 were transferred from the Motor Transport Fund to the General Fund.

CITY OF MARIETTA, GEORGIA
SELF - INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 686,874	\$ 2,712,683
Equity in pooled cash	-	2,893,843
Investments	6,461,750	4,263,092
Receivables:		
Accrued interest	14,446	10,120
Contributions	<u>101,584</u>	<u>144,185</u>
Total assets	<u>7,264,654</u>	<u>10,023,923</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	269,631	156,789
Claims and judgements payable	2,609,984	2,162,843
Due to other funds	<u>2,620,552</u>	<u>5,741,301</u>
Total liabilities	<u>5,500,167</u>	<u>8,060,933</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 1,764,487</u>	<u>\$ 1,962,990</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SELF - INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Contributions	\$8,677,255	\$8,604,600
Other	<u>159,858</u>	<u>218,956</u>
Total operating revenues	<u>8,837,113</u>	<u>8,823,556</u>
Operating expenses:		
Operating services	1,973,228	1,586,897
Benefits and claims	<u>8,712,727</u>	<u>8,542,200</u>
Total operating expenses	<u>10,685,955</u>	<u>10,129,097</u>
Operating income (loss)	<u>(1,848,842)</u>	<u>(1,305,541)</u>
Nonoperating revenues:		
Investment earnings	<u>54,404</u>	<u>83,198</u>
Income before transfers	<u>(1,794,438)</u>	<u>(1,222,343)</u>
Transfers:		
Transfers in	1,643,826	1,325,946
Transfers out	<u>(47,891)</u>	<u>(70,771)</u>
Total transfers	<u>1,595,935</u>	<u>1,255,175</u>
Change in net assets	(198,503)	32,832
Net assets at beginning of year	<u>1,962,990</u>	<u>1,930,158</u>
Net assets at end of year	<u><u>\$1,764,487</u></u>	<u><u>\$1,962,990</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SELF-INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flow from operating activities:		
Cash received from contributions	\$ 8,719,856	\$ 8,600,895
Cash received from other operating activities	159,858	218,956
Cash payments for operating services	(1,860,386)	(1,692,456)
Cash received from (payments to) other funds	(3,120,749)	2,610,113
Cash payments for benefits and claims	(8,265,586)	(8,555,132)
Net cash from (to) operating activities	(4,367,007)	1,182,376
Cash flows from noncapital financing activities		
Transfers in	1,643,826	1,325,946
Transfers out	(47,891)	(70,771)
Net transfers in (out) from noncapital financing activities	1,595,935	1,255,175
Cash flows from investing activities		
Interest received	50,078	85,240
Investments (purchased) sold	(2,198,658)	(804,936)
Net cash from (to) investing activities	(2,148,580)	(719,696)
Net increase (decrease) in cash and cash equivalents	(4,919,652)	1,717,855
Cash and cash equivalents at beginning of year	5,606,526	3,888,671
Cash and cash equivalents at end of year	\$ 686,874	\$ 5,606,526
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (1,848,842)	\$ (1,305,541)
Adjustments to reconcile operating income to net cash from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	42,601	(3,705)
Increase (decrease) in accounts payable	112,842	(105,559)
Increase (decrease) in due to other funds	(3,120,749)	2,610,113
Increase (decrease) in claims and judgements payable	447,141	(12,932)
Net cash from (to) operating activities	\$ (4,367,007)	\$ 1,182,376

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current assets:		
Due from other governments	\$ 7,827	\$ 5,159
Inventories	<u>74,047</u>	<u>101,965</u>
Total current assets	<u>81,874</u>	<u>107,124</u>
Property, plant and equipment:		
Buildings and improvements	496,340	496,340
Machinery and equipment	1,021,735	1,017,630
Less: accumulated depreciation	<u>(828,392)</u>	<u>(785,028)</u>
Net property, plant and equipment	<u>689,683</u>	<u>728,942</u>
Total assets	<u>771,557</u>	<u>836,066</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	532,518	155,635
Accrued salaries and employee benefits	11,065	21,953
Due to other funds	77,862	814,536
Accrued compensated absences	<u>13,384</u>	<u>10,985</u>
Total current liabilities	<u>634,829</u>	<u>1,003,109</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	<u>15,859</u>	<u>12,730</u>
Total liabilities	<u>650,688</u>	<u>1,015,839</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	689,683	728,942
Unrestricted	<u>(568,814)</u>	<u>(908,715)</u>
Total net assets	<u>\$ 120,869</u>	<u>\$(179,773)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Operating revenues:		
Charges for services	\$3,189,132	\$3,176,689
Other	13,615	3,932
Total operating revenues	3,202,747	3,180,621
Operating expenses:		
Personal services	731,265	713,525
Operating services	2,612,106	2,408,036
Depreciation	43,364	45,672
Total operating expenses	3,386,735	3,167,233
Operating income (loss)	(183,988)	13,388
Nonoperating revenues (expenses) :		
Other nonoperating (expense)	(1,221,939)	-
Total nonoperating revenues (expenses)	(1,221,939)	-
Transfers:		
Transfers in	1,726,372	-
Transfers out	(19,803)	(19,803)
Total transfers	1,706,569	(19,803)
Change in net assets	300,642	(6,415)
Net assets at beginning of year	(179,773)	(173,358)
Net assets at end of year	\$ 120,869	\$ (179,773)

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flow from operating activities:		
Cash received for services provided	\$ 3,200,079	\$ 3,176,627
Cash payments for goods and services	(2,943,979)	(2,441,329)
Cash payments for employee services and fringes	(736,625)	(712,367)
Net cash from (to) operating activities	(480,525)	22,931
Cash flows from noncapital financing activities		
Transfers in	1,726,372	-
Transfers out	(19,803)	(19,803)
Net transfers in (out) from noncapital financing activities	1,706,569	(19,803)
Cash flows from capital and related financing activities		
Payments for capital acquisitions	(1,226,044)	(3,128)
Net cash from (to) capital and related financing activities	(1,226,044)	(3,128)
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	\$ -	\$ -
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (183,988)	\$ 13,388
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	43,364	45,672
Changes in assets and liabilities:		
(Increase) decrease in due from other governments	(2,668)	(3,994)
(Increase) decrease in inventories	27,918	(54,374)
Increase (decrease) in accounts payable	376,883	70,744
Increase (decrease) in accrued salaries	(10,888)	3,016
Increase (decrease) in accrued compensated absences	5,528	(1,858)
Increase (decrease) in due to other funds	(736,674)	(49,663)
Net cash from (to) operating activities	\$ (480,525)	\$ 22,931

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:
During 2011, capital assets totaling \$1,221,939 were transferred to the General Fund.

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SUPPLEMENTAL INFORMATION

CITY OF MARIETTA, GEORGIA
MARIETTA REDEVELOPMENT CORPORATION COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2011

ASSETS

Cash	\$ 112,745
Investment in real estate	4,990,554
Prepaid assets	30
Restricted assets:	
Cash	<u>690,000</u>
Total assets	<u><u>\$ 5,793,329</u></u>

LIABILITIES AND EQUITY

Liabilities:	
Accounts payable	\$ 1,718
Deposits	<u>2,000</u>
Total liabilities	<u>3,718</u>
Equity:	
Fund balance:	
Nonspendable	30
Restricted for debt service	4,090,656
Unassigned	<u>1,698,925</u>
Total equity	5,789,611

Amounts reported for the component unit in the statement of net assets
are different because:

Long-term liabilities are not due and payable in the current period and therefore the line of credit is not reported.	<u>(4,090,656)</u>
Net assets of component unit	<u><u>\$ 1,698,955</u></u>

CITY OF MARIETTA, GEORGIA
MARIETTA REDEVELOPMENT CORPORATION COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues:	
Charges for services	\$ 67,125
Investment earnings	<u>14,968</u>
Total revenues	<u>82,093</u>
Expenditures:	
Current:	
Urban redevelopment and housing	39,807
Debt service	<u>248,658</u>
Total expenditures	288,465
Excess (deficiency) of revenues over expenditures	<u>(206,372)</u>
Net change in fund balance	<u>(206,372)</u>
Fund balance at beginning of year	<u>5,995,983</u>
Fund balance at end of year	<u><u>\$ 5,789,611</u></u>

Amounts reported for the component units in the statement of activities
are different because:

Net change in fund balance - total component units	\$ (206,372)
Debt proceeds provide current financial resources to the component unit and the repayment of principal of long-term debt consumes current financial resources in the statement of revenues, expenditures, and changes in fund balances	<u>17,689</u>
Change in net assets of component units on the statement of activities	<u><u>\$ (188,683)</u></u>

STATISTICAL SECTION

This part of the City of Marietta's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City of Marietta's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City of Marietta's most significant local source, the property tax.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City of Marietta's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City of Marietta's financial report relates to the services the City provides and the activities it performs.

Sources: unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF MARIETTA, GEORGIA
Net Assets by Component (Unaudited)
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 36,465,036	\$ 37,994,135	\$ 40,080,663	\$ 52,779,866	\$ 41,105,789	\$ 38,400,310	\$ 40,361,421	\$ 40,647,949	\$ 50,033,057	\$ 58,835,173
Restricted	4,284,364	4,747,065	5,798,631	3,723,545	7,429,356	12,993,338	25,355,346	22,613,208	22,973,206	26,661,694
Unrestricted	(33,150,035)	(38,495,527)	(35,495,110)	(39,010,992)	(30,637,360)	(26,135,944)	(37,973,169)	1,702,675	(8,560,854)	(19,502,801)
Total governmental activities net assets	<u>\$ 7,599,365</u>	<u>\$ 4,245,673</u>	<u>\$ 10,384,184</u>	<u>\$ 17,492,419</u>	<u>\$ 17,897,785</u>	<u>\$ 25,257,704</u>	<u>\$ 27,743,598</u>	<u>\$ 64,963,832</u>	<u>\$ 64,445,409</u>	<u>\$ 65,994,066</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 62,746,146	\$ 58,350,375	\$ 78,986,306	\$ 73,676,327	\$ 77,610,606	90,727,135	97,486,153	105,531,822	134,507,898	145,968,231
Restricted	-	988,076.00	840,530	977,957	777,996	1,349,186	2,377,157	2,287,694	-	-
Unrestricted	58,435,288	56,268,396	36,489,959	33,144,321	41,251,724	35,394,422	34,111,843	27,216,106	1,668,171	8,968,617
Total business-type activities net assets	<u>\$ 121,181,434</u>	<u>\$ 115,606,847</u>	<u>\$ 116,316,795</u>	<u>\$ 107,798,605</u>	<u>\$ 119,640,326</u>	<u>\$ 127,470,743</u>	<u>\$ 133,975,153</u>	<u>\$ 135,035,622</u>	<u>\$ 136,176,069</u>	<u>\$ 154,936,848</u>
Primary government										
Invested in capital assets, net of related debt	\$ 99,211,182	\$ 96,344,510	\$ 119,066,969	\$ 126,456,193	\$ 118,716,395	\$ 129,127,445	\$ 137,847,574	\$ 146,179,771	\$ 184,540,955	\$ 204,803,404
Restricted	4,284,364	5,735,141	6,639,161	4,701,502	8,207,352	14,342,524	27,732,503	24,900,902	22,973,206	26,661,694
Unrestricted	25,285,253	17,772,869	994,849	(5,866,671)	10,614,364	9,258,478	(3,861,326)	28,918,781	(6,892,683)	(10,534,184)
Total Primary government net assets, before restatements	128,780,799	119,852,520	126,700,979	125,291,024	137,538,111	152,728,447	161,718,751	199,999,454	200,621,478	220,930,914
Restatement for capital assets and related accumulated depreciation	-	-	-	585,611	-	1,391,888	415,317	-	8,100,224	-
Total Primary government net assets, as restated	<u>\$ 128,780,799</u>	<u>\$ 119,852,520</u>	<u>\$ 126,700,979</u>	<u>\$ 125,876,635</u>	<u>\$ 137,538,111</u>	<u>\$ 154,120,335</u>	<u>\$ 162,134,068</u>	<u>\$ 199,999,454</u>	<u>\$ 208,721,702</u>	<u>\$ 220,930,914</u>

Note: Fiscal year 2002 the City implemented GASB 34 reporting format.

(1) Balances have been revised to correctly classify net asset categories.

CITY OF MARIETTA, GEORGIA
Changes in Net Assets (Unaudited)
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 7,272,726	\$ 6,892,923	\$ 6,795,976	\$ 4,894,998	\$ 7,270,290	\$ 7,490,659	\$ 6,759,380	\$ 5,918,941	\$ 8,652,513	\$ 8,679,032
Public works	6,739,482	7,248,042	8,120,071	9,130,758	10,845,886	14,888,258	20,427,013	13,760,889	14,065,683	14,222,761
Culture and recreation	4,625,123	5,489,588	4,238,849	4,859,976	5,279,105	5,346,638	6,443,698	5,124,263	2,083,996	2,934,820
Public safety	22,339,112	22,689,033	23,162,365	22,871,162	25,171,969	24,791,734	29,165,513	30,378,175	31,887,909	33,226,781
Urban redevelopment and housing	5,615,386	6,256,477	6,991,371	7,301,650	11,234,909	8,261,612	5,862,864	6,046,710	6,353,078	5,879,557
Interest and fiscal charges on long-term debt	4,115,517	4,583,900	3,357,519	3,109,268	3,018,190	3,125,438	3,449,537	2,526,939	3,341,989	4,857,635
Total governmental activities expenses	50,707,346	53,159,963	52,666,151	52,167,812	62,820,349	63,904,339	72,108,005	63,755,917	66,385,168	69,800,586
Business-type activities:										
Water & sewer	19,563,148	22,978,757	19,992,150	21,073,686	21,738,497	22,294,414	21,209,559	24,501,021	25,731,472	25,841,087
Electric	80,395,950	75,976,256	77,025,533	74,257,492	78,307,081	85,240,996	85,707,753	84,808,669	85,525,058	90,902,721
Golf	2,141,851	2,008,413	2,100,474	2,066,878	2,302,256	1,912,942	1,890,486	1,725,593	1,599,511	1,577,086
Fiber optic	8,461,643	8,753,884	9,464,158	1,460,454	-	-	-	-	-	-
Conference center	13,251,793	13,834,535	11,414,588	11,317,032	2,759,624	2,267,261	2,368,951	3,496,708	7,689,002	1,551,818
Total business-type activities expenses	123,814,385	123,551,845	119,996,903	110,175,542	105,107,458	111,715,613	111,176,749	114,531,991	120,545,043	119,872,712
Total Primary Government expenses	\$ 174,521,731	\$ 176,711,808	\$ 172,663,054	\$ 162,343,354	\$ 167,927,807	\$ 175,619,952	\$ 183,284,754	\$ 178,287,908	\$ 186,930,211	\$ 189,673,298
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 7,242,972	\$ 7,246,693	\$ 7,506,910	\$ 9,354,010	\$ 9,907,005	\$ 10,606,915	\$ 9,906,438	\$ 9,346,589	\$ 8,619,196	\$ 8,801,103
Public works	2,060,894	3,035,540	3,137,059	3,275,190	3,284,627	3,338,944	3,533,668	3,518,257	3,505,071	3,486,058
Culture and recreation	333,409	438,032	313,245	258,192	248,506	260,442	250,876	264,132	319,375	280,347
Public safety	529,124	89,512	276,890	96,975	121,250	42,390	110,651	348,310	102,531	176,931
Urban redevelopment and housing	349,169	466,146	568,440	1,090,320	1,070,269	965,210	703,452	692,429	575,640	632,081
Operating grants and contributions	6,193,422	6,902,214	7,550,859	8,795,814	7,555,223	9,597,840	8,478,562	39,392,897	5,216,433	9,344,286
Capital grants and contributions	2,551,500	1,985,281	11,933,376	5,833,603	7,281,401	9,735,992	13,865,101	10,016,452	10,752,277	10,204,436
Total governmental activities program revenues	19,260,490	20,163,418	31,286,779	28,704,104	29,468,281	34,547,733	36,848,748	63,579,066	29,090,523	32,925,242
Business-type activities:										
Charges for services:										
Water & sewer	22,613,910	23,561,197	24,125,227	25,090,551	26,766,387	28,115,388	28,207,449	29,694,453	31,488,553	33,710,588
Electric	83,823,429	84,509,940	82,709,681	86,896,085	89,317,524	90,011,504	92,093,318	90,377,637	95,689,883	102,199,136
Golf	1,609,542	1,548,715	1,711,458	1,799,114	1,857,203	1,973,016	1,801,341	1,705,843	1,516,966	1,629,928
Fiber optic	8,119,916	6,203,317	6,745,390	1,135,129	-	-	-	-	-	-
Conference center	10,392,010	9,535,056	8,976,919	9,343,330	1,677,432	1,681,074	1,644,720	1,726,505	1,942,774	2,240,303
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,540,382	1,023,388	1,764,631	709,276	3,282,679	4,536,972	777,567	661,994	237,175	77,154
Total business-type activities program revenues	128,099,189	126,381,613	126,033,306	124,973,485	122,901,225	126,317,954	124,524,395	124,166,432	130,875,351	139,857,109
Total Primary Government program revenues	\$ 147,359,679	\$ 146,545,031	\$ 157,320,085	\$ 153,677,589	\$ 152,369,506	\$ 160,865,687	\$ 161,373,143	\$ 187,745,498	\$ 159,965,874	\$ 172,782,351
Net (expense)/revenue										
Governmental activities	\$ (31,446,856)	\$ (32,996,545)	\$ (21,379,372)	\$ (23,463,708)	\$ (33,352,059)	\$ (29,356,606)	\$ (35,259,257)	\$ (176,851)	\$ (37,294,645)	\$ (36,875,344)
Business-type activities	4,284,804	2,829,768	6,036,403	14,797,943	17,793,767	14,602,341	13,347,646	9,634,441	10,330,308	19,984,397
Total Primary Government net expense	\$ (27,162,052)	\$ (30,166,777)	\$ (15,342,969)	\$ (8,665,765)	\$ (15,558,292)	\$ (14,754,265)	\$ (21,911,611)	\$ 9,457,590	\$ (26,964,337)	\$ (16,890,947)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 9,404,794	\$ 9,418,677	\$ 10,958,814	\$ 10,559,446	\$ 11,398,799	\$ 12,293,579	\$ 11,965,381	\$ 13,492,266	\$ 13,356,484	\$ 13,806,851
Insurance premium tax	2,133,966	2,341,448	2,523,528	2,734,817	2,942,305	3,078,387	3,211,100	3,288,021	3,257,172	3,162,511
Alcohol taxes	868,053	846,831	847,700	842,738	861,353	884,674	812,476	803,261	790,828	743,152
Hotel, motel tax	2,309,916	2,105,653	2,009,839	2,067,734	2,150,995	2,182,657	2,224,497	1,893,459	1,738,399	1,906,431
Franchise taxes	5,198,857	5,020,828	4,857,710	5,069,809	5,182,993	5,176,430	5,159,179	5,290,662	5,455,136	5,813,654
Auto rental tax	527,429	539,024	519,884	579,170	551,863	494,156	457,952	412,431	355,788	374,996
Unrestricted investment earnings	1,258,543	634,407	183,944	436,137	1,010,915	1,881,843	1,590,204	536,713	356,084	205,966
Gains on sale of capital assets	83,541	46,046	46,140	47,179	-	134,434.00	420,929	143,752	70,215	64,599
Operating grants not restricted	-	-	-	-	1,176,819.00	1,275,916	1,555,432	1,669,199	1,701,947	2,038,348
Contributions not restricted	-	-	-	-	152,314.00	-	-	-	-	-
Transfers	8,769,197	8,689,939	5,570,324	8,234,913	7,743,458	9,314,449	8,956,113	9,185,750	9,694,169	10,307,493
Total governmental activities	30,554,296	29,642,853	27,517,883	30,571,943	33,171,814	36,716,525	36,353,263	36,715,514	36,776,222	38,424,001
Business-type activities										
Unrestricted investment earnings	1,267,968	272,044	151,013	756,524	1,736,225	2,509,636	1,973,077	712,646	223,404	539,567
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	168,042.00	-
Gain on sale of capital assets	-	13,540.00	92,856	(15,842,246)	55,187	32,889	139,800	165,386	112,862	444,084
Transfers	(8,769,197)	(8,689,939)	(5,570,324)	(8,230,411)	(7,743,458)	(9,314,449)	(8,956,113)	(9,185,750)	(9,694,169)	(10,307,493)
Total business-type activities	(7,501,229)	(8,404,355)	(5,326,455)	(23,316,133)	(5,952,046)	(6,771,924)	(6,843,236)	(8,307,718)	(9,189,861)	(9,323,842)
Total primary government	\$ 23,053,067	\$ 21,238,498	\$ 22,191,428	\$ 7,255,810	\$ 27,219,768	\$ 29,944,601	\$ 29,510,027	\$ 28,407,796	\$ 27,586,361	\$ 29,100,159

(1) The City sold the FiberNet operations on August 31, 2004. Fiscal year 2005 includes two months operations.

Changes in Net Assets

Governmental activities	\$ (892,560)	\$ (3,353,692)	\$ 6,138,511	\$ 7,108,235	\$ (180,245)	\$ 7,359,919	\$ 1,094,006	\$ 36,538,663	\$ (518,423)	\$ 1,548,657
Business type activities	(3,216,425)	(5,574,587)	709,948	(8,518,190)	11,841,721	7,830,417	6,504,410	1,326,723	1,140,447	10,660,555
Total primary government	\$ (4,108,985)	\$ (8,928,279)	\$ 6,848,459	\$ (1,409,955)	\$ 11,661,476	\$ 15,190,336	\$ 7,598,416	\$ 37,865,386	\$ 622,024	\$ 12,209,212

Note: Fiscal year 2002 the City implemented GASB 34 reporting format.

(1) The City sold the FiberNet operations on August 31, 2004. Fiscal year 2005 includes two months operations.

CITY OF MARIETTA, GEORGIA
Fund Balances of Governmental Funds (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (5)</u>
General fund										
Reserved	\$ 2,824,053	\$ 2,618,300	\$ 3,541,471	\$ 2,926,287	\$ 1,418,139	\$ 1,951,995	\$ 2,335,327	\$ 1,645,272	\$ 18,104,875	-
Unrestricted	12,456,974	11,067,315	7,052,523 (1)	8,824,684	14,240,675 (2)	14,570,802	14,374,838	14,810,512	12,168,488	-
Nonspendable	-	-	-	-	-	-	-	-	-	20,447,186
Restricted	-	-	-	-	-	-	-	-	-	2,661,721
Committed	-	-	-	-	-	-	-	-	-	9,388
Assigned	-	-	-	-	-	-	-	-	-	1,579,824
Unassigned	-	-	-	-	-	-	-	-	-	15,998,359
Total general fund	<u>\$ 15,281,027</u>	<u>\$ 13,685,615</u>	<u>\$ 10,593,994</u>	<u>\$ 11,750,971</u>	<u>\$ 15,658,814</u>	<u>\$ 16,522,797</u>	<u>\$ 16,710,165</u>	<u>\$ 16,455,784</u>	<u>\$ 30,273,363</u>	<u>\$ 40,696,478</u>
All other governmental funds										
Reserved	\$ 6,063,784	\$ 4,827,189	\$ 3,794,278	\$ 2,782,569	\$ 2,880,403	\$ 5,493,472	\$ 7,725,291	\$ 11,650,875	\$ 10,966,247	-
Unreserved, reported in:										
Special revenue funds	1,713,180	1,848,752	1,980,587	2,084,380	6,592,067 (3)	7,444,398	6,708,071	6,728,922	4,976,070	-
Capital projects funds	-	-	-	(2,906)	3,732,152 (4)	6,026,841	16,867,435	10,249,776	54,792,285	-
Restricted reported in:										
Debt Service fund	-	-	-	-	-	-	-	-	-	5,492,241
Special revenue funds	-	-	-	-	-	-	-	-	-	4,960,313
Capital projects funds	-	-	-	-	-	-	-	-	-	44,356,460
Total all other governmental funds	<u>\$ 7,776,964</u>	<u>\$ 6,675,941</u>	<u>\$ 5,774,865</u>	<u>\$ 4,864,043</u>	<u>\$ 13,204,622</u>	<u>\$ 18,964,711</u>	<u>\$ 31,300,797</u>	<u>\$ 28,629,573</u>	<u>\$ 70,734,602</u>	<u>\$ 54,809,014</u>

(1) The decrease in unrestricted fund balance of the general fund was due to transfers to the Marietta Conference Center and Resort and property purchases for redevelopment.

(2) The unrestricted fund balance of the general fund increased due to sale of property City had acquired for redevelopment projects.

(3) Includes 2005 TAD bond proceeds

(4) Includes the 2005 SPLOST tax revenues

(5) The City adopted GASB 54 Reporting for Fund Balance in fiscal year 2011.

CITY OF MARIETTA, GEORGIA
Changes in Fund Balances of Governmental Funds (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$14,382,122	\$14,160,753	\$16,129,207	\$24,891,288	\$23,052,547	\$24,054,243	\$24,680,800	\$25,097,088	\$24,825,094	\$25,789,789
Licenses and permits	12,188,318	12,546,419	12,814,047	6,314,395	6,306,258	6,621,273	6,227,731	5,799,547	5,297,444	5,410,991
Intergovernmental	10,802,296	12,794,367	15,251,038	12,993,072	17,845,244	21,850,301	25,074,095	22,251,684	22,487,098	24,354,587
Charges for services	2,502,163	3,669,682	3,687,691	3,918,537	3,914,149	3,932,451	4,053,167	4,164,491	4,192,418	4,096,531
Fines and forfeits	2,501,532	2,119,515	2,151,560	3,789,735	4,127,362	4,353,147	3,797,209	3,538,722	3,255,124	3,257,284
Investment earnings	1,085,352	556,459	155,504	375,582	964,352	1,802,151	2,018,377	697,609	263,223	160,027
Other	283,283	309,749	428,813	1,340,973	551,064	453,539	616,345	800,914	482,496	710,401
Total revenues	43,745,066	46,156,944	50,617,860	53,623,582	56,760,976	63,067,105	66,467,724	62,350,055	60,802,897	63,779,610
Expenditures										
General government	6,997,566	5,209,312	2,476,031	5,418,240	11,715,968	7,370,697	7,435,676	7,633,637	7,450,955	7,416,234
Public works	6,385,434	6,032,895	7,576,562	6,712,946	7,284,494	7,594,840	8,027,775	8,153,184	7,363,184	7,241,032
Culture and recreation	3,841,947	5,132,803	3,326,108	4,807,994	5,150,388	5,566,985	4,931,066	4,707,715	4,298,902	3,976,597
Urban redevelopment and housing	5,615,387	6,246,521	6,996,078	7,181,872	7,071,247	8,261,612	6,665,677	25,439,147	24,645,422	26,079,452
Public safety	21,100,018	20,433,348	24,413,923	20,858,758	23,916,347	23,537,979	25,901,142	6,046,710	6,353,078	5,879,557
Capital (2)	-	2,200,618	2,356,254	5,869,298	-	-	7,778,531	-	-	-
Debt service										
Principal	3,185,000	5,585,000	7,640,000	4,657,380	4,852,776	5,059,965	5,287,265	6,189,683	7,547,336	12,521,801
Interest	4,108,381	4,581,910	3,353,311	3,107,466	2,935,530	3,101,300	4,789,241	2,824,304	3,316,004	4,574,266
Fiscal agent fees and bond issuance costs	7,136	177,928	4,208	1,802	119,830	-	186,933	-	-	-
Capital projects (2)	3,441,542	2,860,954	2,764,010	3,646,725	2,358,450	4,243,722	2,780,066	12,863,322	14,363,860	9,225,953
Total expenditures	54,682,411	58,461,289	60,906,485	62,262,481	65,405,030	64,737,100	73,783,372	73,857,702	75,338,741	76,914,892
Excess of revenues over (under) expenditures	(10,937,345)	(12,304,345)	(10,288,625)	(8,638,899)	(8,644,054)	(1,669,995)	(7,315,648)	(11,507,647)	(14,535,844)	(13,135,282)
Other financing sources (uses)										
Transfers in	11,312,473	11,480,033	10,046,820	12,815,707	15,793,259	15,515,433	15,729,197	15,845,087	28,461,017	28,990,961
Transfers out	(3,336,683)	(2,790,094)	(3,797,032)	(4,170,090)	(8,335,765)	(6,940,497)	(7,750,252)	(7,406,797)	(19,480,109)	(21,422,751)
Sale of capital assets	83,541	46,015	46,140	239,437	5,034,982	139,123	425,157	143,752	70,215	64,599
Bond proceeds/refunding bonds issued	-	21,231,956	-	-	8,400,000	-	49,985,000	-	102,108,385	-
Payment to refunded bond escrow agent	-	(20,360,000)	-	-	-	-	(38,550,000)	-	(40,701,056)	-
Total other financing sources (uses)	8,059,331	9,607,910	6,295,928	8,885,054	20,892,476	8,714,059	19,839,102	8,582,042	70,458,452	7,632,809
Net change in fund balances	<u>\$ (2,878,014)</u>	<u>\$ (2,696,435)</u>	<u>\$ (3,992,697)</u>	<u>\$ 246,155</u>	<u>\$ 12,248,422</u>	<u>\$ 7,044,064</u>	<u>\$ 12,523,454</u>	<u>\$ (2,925,605)</u>	<u>\$ 55,922,608</u>	<u>\$ (5,502,473)</u>
Debt service as a percentage of noncapital expenditures (1)	14.94%	19.22%	19.59%	14.64%	13.90%	13.91%	14.95%	15.22%	18.15%	26.06%

(1) Percentage restated to reflect governmental funds capital outlay and not capital projects

(2) Restated amounts from capital that are reflected in prior year financials as capital projects.

CITY OF MARIETTA, GEORGIA
General Governmental Tax Revenues by Sources (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

Year Ended (1) June 30	Property Tax	Intangible Tax	Alcoholic Beverage Excise Tax	Hotel Motel Tax	Real Estate Transfer Tax	Other	Total
2002	\$8,169,946	\$211,941	\$868,053	\$2,294,071	\$108,249	\$527,429	\$12,179,689
2003	8,995,155	285,519	846,831	2,093,875	80,592	539,024	12,840,996
2004	10,507,706	284,215	847,700	2,009,839	99,110	519,884	14,268,454
2005 (2)	15,306,659	230,896	842,738	2,067,734	136,880	3,313,987	21,898,894
2006	16,546,032	257,488	861,353	2,150,995	149,332	3,087,347	23,052,547
2007	17,416,798	285,132	884,674	2,180,519	110,783	3,176,337	24,054,243
2008	17,590,571	224,801	812,476	2,217,011	106,428	3,729,513	24,680,800
2009	18,417,461	141,422	803,261	1,891,608	37,937	3,805,399	25,097,088
2010	18,412,382	116,367	790,828	1,720,725	22,427	3,762,365	24,825,094
2011	19,350,867	116,922	743,122	1,891,999	35,454	3,651,425	25,789,789

(1) 2002 - 2005: Includes General, Special Revenue, Debt Service Funds and discretely presented component unit:
Marietta Welcome Center and Visitor's Bureau, Inc.

2006 - 2011: Includes all governmental funds

(2) Beginning in fiscal year 2005, franchise taxes are included in Property Tax revenue and insurance premium taxes are included in Other revenue, which was previously reported in Licenses & Permits revenue in prior years.

CITY OF MARIETTA, GEORGIA
Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)
Last ten fiscal years

Digest Year	Real Property (1)	Personal Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Motor Vehicles/Homes	Personal Property	Public Utilities					
2001	1,494,023,175	171,693,737	301,835,529	31,394,374	26,379,506	1,972,567,309	4.19	4,931,418,273	40.00%
2002	1,745,314,574	168,311,224	297,553,461	36,728,896	74,975,895 (2)	2,172,932,260	4.19	5,432,330,650	40.00%
2003	1,788,218,138	156,996,283	308,502,425	34,685,490	92,338,297	2,196,064,039	4.69	5,490,160,098	40.00%
2004	1,860,715,202	151,204,522	289,628,328	33,045,200	117,344,645	2,217,248,607	4.69	5,543,121,518	40.00%
2005	2,024,460,648	163,927,353	294,707,607	32,891,832	130,666,229	2,385,321,211	4.69	5,963,303,028	40.00%
2006	2,185,623,440	172,340,767	293,856,544	35,121,972	161,562,650	2,525,380,073	4.69	6,313,450,183	40.00%
2007	2,328,581,761	170,498,321	316,625,189	30,026,547	192,084,113	2,653,647,705	4.68	6,634,119,263	40.00%
2008	2,493,024,336	185,424,419	306,446,750	34,126,529	181,334,175	2,837,687,859	4.68	7,094,219,648	40.00%
2009	2,481,302,362	177,214,999	294,658,364	33,478,129	172,043,250	2,814,610,604	4.68	7,036,526,510	40.00%
2010	2,514,106,019	177,150,379	266,358,668	32,647,169	110,462,282	2,879,799,953	5.23	7,199,499,883	40.00%

(1) City tax system combines all real property, residential, commercial and industrial parcels.

(2) Floating homestead exemption went into effect.

CITY OF MARIETTA, GEORGIA
Property Tax Rates
Direct and Overlapping Governments
Last ten fiscal years

Fiscal Year	City of Marietta				Cobb County			Marietta City Schools	Total Direct & Overlapping Rates	Downtown Marietta Development Authority (1)
	Operating Millage	Debt Service Millage	Cemetery Maintenance Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage		Operating Millage
2002	2.04	2.07	0.08	4.69	6.85	0.27	7.07	17.97	29.73	2.60
2003	2.79	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.60
2004	2.79	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.38
2005	2.79	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.38
2006	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2007	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2008	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2009	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2010	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.09
2011	2.79	2.37	0.08	5.23	6.82	0.22	7.04	17.97	30.24	2.09

Source: City of Marietta tax department

(1) The Downtown Marietta Development Authority is a special purpose district in the downtown business area that assesses an additional tax levy

CITY OF MARIETTA, GEORGIA
Principal Taxpayers (Unaudited)
June 30, 2011

Taxpayer (1)	Type of Business	2011			2002		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bell South Telecom. (Public Utilities)	Telephone	\$ 17,644,841	1	0.61%	\$19,804,150	2	0.98%
C W Matthews Contracting Co.	Commercial	\$ 13,421,507	2	0.47%			
Laurel Hills Apartment LLC	Real Estate	\$ 13,040,000	3	0.45%			
Sterling Town Center Apartments	Real Estate	\$ 12,620,000	4	0.44%	-		
Atlanta Parkway Investment Group I	Real Estate	\$ 12,496,800	5	0.43%	\$21,705,318	1	1.08%
Atlanta Parkway Investment Group II	Real Estate	\$ 11,840,320	6	0.41%			
Kennestone Physicians Center I	Hospital	\$ 8,180,000	7	0.28%	\$7,718,470	10	0.38%
Rauls Frank P & Tyler J Rauls	Retirement Home	\$ 7,924,254	8	0.28%			
Marietta II E & A LLC	Real Estate	\$ 6,512,760	9	0.23%			
Bel EQR IV LP	Attorney	\$ 6,860,000	10	0.24%			
Tyco International US Inc.	Manufacturing				\$15,698,152	3	0.78%
Bells Ferry Corp.	Real Estate				\$12,161,792	4	0.60%
Southern Tea Company	Manufacturer				\$10,273,293	5	0.51%
John H. Streiker, as Trustee	Attorney				\$9,760,000	6	0.48%
WalMart Stores	Retail				\$9,097,463	7	0.45%
Matthews C W Contractors Co Inc.	Construction				\$8,147,742	8	0.40%
Focus/Ridge LP	Real Estate				\$7,808,800	9	0.39%
Totals		<u>\$110,540,482</u>		<u>3.84%</u>	<u>\$122,175,180</u>		<u>6.05%</u>

Source: City of Marietta tax department

CITY OF MARIETTA, GEORGIA
Property Tax Levies and Collections (Unaudited)
Last ten fiscal years

Tax Digest Year	Total Tax Levy for Fiscal Year	Subsequent Years Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections of Prior Years Levy	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2001	7,216,601	(22,131)	7,194,470	7,104,677	98.45%	89,181	7,193,858	99.99%
2002	8,126,201	(8,120)	8,118,081	7,997,857	98.42%	121,230	8,119,087	100.01%
2003	9,277,950	(69,654)	9,208,296	9,120,751	98.31%	76,073	9,196,824	99.88%
2004	9,430,498	(12,808)	9,417,690	9,348,551	99.13%	53,899	9,402,450	99.84%
2005	10,136,294	31,652	10,167,946	10,036,324	99.01%	123,075	10,159,399	99.92%
2006	10,761,609	(43,877)	10,717,732	10,615,645	98.64%	94,474	10,710,119	99.93%
2007	11,407,894	7,820	11,415,714	11,273,654	98.82%	148,152	11,421,806	100.05%
2008	12,147,888	360	12,148,248	11,853,331	97.58%	250,492	12,103,823	99.63%
2009	11,987,687	(53,880)	11,933,807	11,660,045	97.27%	155,591	11,815,636	99.01%
2010	12,146,512	-	12,146,512	12,111,605	99.71%	-	12,111,605	99.71%

CITY OF MARIETTA, GEORGIA
Water and Wastewater Rate History
Last Ten Fiscal Years

Fiscal Year	Gallons of Water Consumed (millions)	Total Direct Rate						
		Water				Wastewater		
		<u>Base Rate</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Base Rate</u>	<u>Tier 1</u>	<u>Tier 2</u>
		(1)	(2)	(2)	(2)	(1)	(2)	(2)
2002	3,446	8.67	2.04	1.83	1.62	8.26	4.42	3.97
2003	3,415	9.16	2.17	1.94	1.73	8.97	4.78	4.44
2004	3,160	9.22	2.20	1.97	1.76	9.21	4.90	4.44
2005	3,158	9.45	2.25	2.02	1.80	9.58	5.09	4.61
2006	3,357	9.92	2.36	*	*	10.77	5.38	*
2007	3,353	10.61	2.53	2.91	3.29	11.52	5.76	*
2008	3,001	12.10	2.88	3.60	5.76	12.21	6.11	*
2009	2,627	15.00	3.57	4.46	7.14	13.06	6.54	*
2010	2,613	16.20	3.86	4.83	7.72	14.10	7.06	*
2011	2,644	17.5	4.17	5.22	8.34	14.95	7.48	*

Source: City of Marietta utility department

* No rate for that Tier during that time

(1) 0 - 2,000 gallons

(2)	Water Tier Definition (in thousand gallons)			Wastewater Tier Definition (in thousand gallons)	
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2
2002 - 2005	>2-20	>20-1000	>1000	>2 - 1,000	>1,000
2006 - 2008	> 2	*	*	>2	*
2009 - 2011	>2-7	>7 -12	>12	>2	*

CITY OF MARIETTA, GEORGIA
Electric Rate History per Season
Last Ten Fiscal Years

Fiscal Year	Kilowatt Hours Sold (millions)	Summer (June through September)				Total Direct Rate Winter (October through May)			
		<u>Base Rate</u>	<u>Tier 1</u> (1)	<u>Tier 2</u> (2)	<u>Tier 3</u> (3)	<u>Base Rate</u>	<u>Tier 1</u> (1)	<u>Tier 2</u> (2)	<u>Tier 3</u> (3)
2002	1,046	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2003	1,082	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2004	1,074	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2005	1,036	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2006	1,075	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2007	1,073	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2008	1,094	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2009	1,031	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2010	1,046	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2011	1,083	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054

Source: City of Marietta utility department

(1) Cost per first 650 kilowatt hours

(2) Cost per 651 - 1,000 kilowatt hours

(3) Cost per each addition kilowatt hours over 1,000 hours

CITY OF MARIETTA, GEORGIA
Principal Electric Revenue Customers (Unaudited)
June 30, 2011

Customer Name	Type of Business	2011			2002		
		Kilowatt Hours Billed	Rank	Percentage of Total Kwt Billable Hours Value	Kilowatt Hours Billed	Rank	Percentage of Total Kwt Billable Hours Value
Wellstar Hospital	Hospital	54,317,720	1	5.01%	36,180,000	1	3.46%
Cobb County Government	Government	51,769,931	2	4.78%	24,193,000	4	2.31%
Southern Polytechnic	School	37,205,666	3	3.43%	23,987,158	5	2.29%
Tip Top Poultry	Commercial	24,551,439	4	2.27%	17,081,566	6	1.63%
Lockheed Martin	Commercial	18,832,691	5	1.74%	24,545,000	3	2.35%
Coca Cola Enterprises	Commercial	17,143,200	6	1.58%			0.00%
Life College	Commercial	17,119,907	7	1.58%	10,220,000	10	0.98%
Marietta City Schools	School	16,665,768	8	1.54%	14,760,830	7	1.41%
Southern Ice Cream	Commercial	13,999,162	9	1.29%	13,630,000	8	1.30%
Cobb County Board of Education	School	10,631,210	9 10	0.98%	10,839,506	9	1.04%
Tyco-Kendall	Commercial				29,404,000	2	2.81%
Totals		<u>262,236,694</u>		<u>24.21%</u>	<u>204,841,060</u>		<u>13.37%</u>

Source: City of Marietta utility department

CITY OF MARIETTA, GEORGIA
Ratios of Outstanding Debt by Type (Unaudited)
Last ten fiscal years

Fiscal Year	Governmental Activities					Business Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SPLOST Revenue Bonds	Tax Allocation Bonds	Citywide Project Bonds	Note Payable	Marietta Conference Center Revenue Bonds	Golf Course Revenue Bonds	Capital Leases			
2002	\$81,785,000	--	--	--	--	\$23,515,000	\$5,757,091	\$214,343	\$111,271,434	7.65%	\$1,851
2003	76,965,000	--	--	--	--	22,955,000	5,153,829	208,635	105,282,464	7.20%	1,749
2004	69,325,000	--	--	--	--	26,670,000	4,583,140	256,699	100,834,839	6.86%	1,675
2005	64,705,000	--	--	--	762,620	26,255,000	4,044,323	217,265	95,984,208	6.48%	1,595
2006	59,895,000	--	8,400,000	--	719,844	25,815,000	3,536,585	176,269	98,542,698	6.48%	1,637
2007	54,880,000	--	8,400,000	--	674,879	25,350,000	3,059,064	133,632	92,497,575	5.90%	1,522
2008	51,255,000	9,820,000	8,400,000	--	627,614	31,410,000	4,835,000	253,450	106,601,064	6.80%	1,724
2009	45,115,000	9,820,000	7,900,805	--	577,930	30,420,000	4,835,000	206,592	98,875,327	6.24%	1,591
2010	60,835,000	9,145,000	7,380,694	31,660,000	525,706	0 *	4,205,000	157,303	113,908,703	6.85%	1,753
2011	53,550,000	5,370,000	6,838,790	30,795,000	470,808	0 *	3,550,000	105,459	100,680,057	6.95%	1,779

* In FY2010 Conference Center bonds were cancelled.

CITY OF MARIETTA, GEORGIA
Ratios of General Bonded Debt Outstanding (Unaudited)
Last ten fiscal years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2002	\$84,970,000	1,796,097	83,173,903	1.72%	1,328
2003	81,785,000	2,000,172	79,784,828	1.62%	1,245
2004	76,965,000	1,958,270	75,006,730	1.38%	1,119
2005	69,325,000	1,898,186	67,426,814	1.23%	1,043
2006	64,705,000	2,206,406	62,498,594	1.13%	958
2007	54,880,000	2,836,778	52,043,222	0.97%	797
2008	51,255,000	3,658,389	47,596,611	0.66%	671
2009	45,115,000	4,701,507	40,413,493	0.57%	650
2010	60,835,000	3,366,151	57,468,849	0.81%	876
2011	53,550,000	5,492,241	48,057,759	0.67%	849

CITY OF MARIETTA, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt (1)</u>
Direct General Obligation Debt	\$53,550,000	100.00%	<u>\$ 53,550,000</u>
Overlapping General Obligation Debt:			
Cobb County including TAX Anticipation Notes	110,250,000	12.58%	13,866,952
General Obligation Bonds	<u>47,070,000</u>	12.58%	<u>5,920,340</u>
Total Overlapping General Obligation Debt			<u>19,787,292</u>
Total Direct and Overlapping General Obligation Debt			<u><u>\$ 73,337,292</u></u>
Overlapping Guaranteed Revenue Debt:			
City of Marietta Note Payable	470,808	100.00%	\$ 470,808
Downtown Marietta Development Authority:			
Golf Course	3,550,000	100.00%	3,550,000
SPLOST Revenue Bonds	5,370,000	100.00%	5,370,000
Citywide Projects Revenue Bonds	30,795,000	100.00%	30,795,000
Cobb County Parking Deck Certificates	10,490,000	12.58%	1,319,404
Cobb-Marietta Coliseum and Exhibit Hall Authority	49,635,000	12.58%	6,242,958
Cobb County Recreation Authority	1,635,000	12.58%	205,646
Cobb County Solid Waste Management	<u>8,000,000</u>	12.58%	<u>1,006,219</u>
Total Overlapping Guaranteed Revenue Debt			<u>\$ 48,960,035</u>
Total Direct, Overlapping and Overlapping Guaranteed Revenue Debt			<u><u>\$ 122,297,327</u></u>
Debt Per Capita			
Direct General Obligation Debt			\$ 946.46
Overlapping General Obligation Debt			\$ 349.73
Overlapping Guaranteed Revenue Debt			<u>\$ 865.34</u>
Total Debt Per Capita			<u><u>\$ 2,161.53</u></u>

Source of county debt: Cobb County Finance Department

- (1) Calculation for the Overlapping debt was determined by allocating the percentage of Net M & O for the city versus the total for the county. The source was the State's Department of Revenue website.

CITY OF MARIETTA, GEORGIA
Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit: 10 percent of assessed value	\$199,894,682	\$224,790,816	\$228,840,234	\$233,459,325	\$251,598,744	\$268,694,272	\$284,573,182	\$301,902,203	\$298,565,385	\$299,026,224
Total net debt applicable to limit	<u>81,785,000</u>	<u>76,965,000</u>	<u>69,325,000</u>	<u>64,705,000</u>	<u>59,895,000</u>	<u>54,880,000</u>	<u>51,255,000</u>	<u>45,115,000</u>	<u>60,835,000</u>	<u>53,550,000</u>
Legal Debt margin	<u>\$118,109,682</u>	<u>\$147,825,816</u>	<u>\$159,515,234</u>	<u>\$168,754,325</u>	<u>\$191,703,744</u>	<u>\$213,814,272</u>	<u>\$233,318,182</u>	<u>\$256,787,203</u>	<u>\$237,730,385</u>	<u>\$245,476,224</u>
Total net debt applicable to the limit as a percentage of debt limit	40.91%	34.24%	30.29%	27.72%	23.81%	20.42%	18.01%	14.94%	20.38%	17.91%

Legal Debt Margin Calculation for Fiscal Year 2011

Total taxable assessed value	\$2,879,799,953
Add back: exempt real property	110,462,282
Total assessed value	\$2,990,262,235
Debt limit (10% of total assessed value)	299,026,224
Debt applicable to limit:	
General obligation bonds	<u>53,550,000</u>
Legal debt margin	<u>\$245,476,224</u>

CITY OF MARIETTA, GEORGIA
Pledged-Revenue Coverage (Unaudited)
Last ten fiscal years

Fiscal Year	Marietta Conference Center Bonds, Series 1996 A, 1996 B, and 2003 (1)				Tax Allocation District CCSR Series 2005 (2)				Citywide Projects Bonds, Series 2010 (4)			
	Operating Revenues	Principal	Interest	Coverage	TAD Revenues	Principal	Interest	Coverage	Operating Revenues	Principal	Interest	Coverage
2002	10,392,010	525,000	1,641,762	4.80	-	-	-	-	-	-	-	-
2003	9,535,056	560,000	1,838,201	3.98	-	-	-	-	-	-	-	-
2004	8,976,919	600,000	1,841,483	3.69	-	-	-	-	-	-	-	-
2005	9,343,330	415,000	1,841,606	4.25	-	-	-	-	-	-	-	-
2006	1,677,432	440,000	1,798,563	0.75	172,486	-	-	-	-	-	-	-
2007	1,681,074	465,000	1,328,549	0.94	472,140	*	353,997	1.33	-	-	-	-
2008	1,644,720	940,000	1,355,580	0.72	725,895	*	351,960	2.06	-	-	-	-
2009	1,726,505	990,000	1,921,319	0.59	857,583	499,195	351,960	1.01	-	-	-	-
2010	0	0	0	0.00 (3)	907,858	520,111	331,044	1.07	1,942,774	-	-	-
2011	0	0	0	0.00 (3)	1,019,761	541,904	309,251	1.20	2,240,303	865,000	1,384,731	1.00

(1) Conference Center bonds coverage is calculated upon gross revenues.

(2) Tax allocation bond coverage is calculated upon gross TAD revenues.

(3) Bonds cancelled in Fiscal year 2010

(4) Citywide projects bond coverage is calculated upon gross Leased Income Fund revenues from Conference Center.

* First Tax allocation bond principal payment was due in FY2009

CITY OF MARIETTA, GEORGIA
Demographic and Economic Statistics
Last ten fiscal years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2002	60,210	1,457,865	24,213	30.2	7,524	6.0
2003	60,208	1,463,115	24,301	30.4	7,552	5.8
2004	60,204	1,470,964	24,433	30.6	7,316	5.6
2005	60,197	1,481,328	24,608	31.0	7,558	4.6
2006	60,189	1,520,795	25,267	32.3	7,818	3.9
2007	60,758	1,566,949	25,790	32.8	7,517	3.9
2008	61,829	1,567,303	25,349	33.7	7,638	5.2
2009	62,150	1,585,265	25,507	32.2	7,869	9.5
2010	64,988	1,663,692	25,600	34.6	7,504	9.7
2011	56,579	1,489,329	26,323	32.6	7,908	9.9

(1) Population and age demographic sources: U.S. Census Bureau Decennial counts for 2011; U.S. Census Bureau American Community Survey estimates for year 2008, City of Marietta estimates for years 2002 - 2005; Claritas estimates for

(2) Income sources: U.S. Census Bureau American Community Survey estimates for years 2008 and 2011, City of Marietta estimates for years 2002 - 2005; Claritas estimates for years 2006 - 2007 and 2009 - 2010.

(3) Student enrollment provided by the Marietta City Schools.

(4) Unemployment rate source: Georgia Department of Labor, Workforce Statistics and Economic Research

CITY OF MARIETTA, GEORGIA
Principal Employers
Last ten fiscal years

Employer	2011			2002		
	Employees ¹	Rank	Percentage of Total City Employment ²	Employees ³	Rank	Percentage of Total City Employment ²
Wellstar Kennestone Hospital	4,664	1	13%	2,601	1	8%
YKK Corp of America	2,500	2	7%			
C.W. Matthews Contracting, Inc.	1,400	3	4%			
Columbian Chemical Company	1,300	4	4%			
Tip Top Poultry, Inc.	1,300	5	4%			
Marietta City Schools	1,157	6	3%	1,160	4	3%
Cobb County Board of Education	1,060	7	3%	977	7	3%
Cobb County Government	900	8	3%	1,100	5	3%
TASQ Technology	512	9	0%			
Abbott Products	500	10	3%			
Healthdyne, Inc.				2,000	2	6%
Solvay Pharmaceuticals				1,683	3	5%
Life University				1,020	6	3%
Tyco Healthcare Group				900	8	3%
Yellow Freight Systems				860	9	3%
WalMart				810	10	2%

¹ Dun & Bradstreet's Directory of American Leading Public and Private Companies.

² Georgia Department of Labor

Source: ³ Meag Power

CITY OF MARIETTA, GEORGIA
Full-time City Government Employees by Function (Unaudited)
Last ten fiscal years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Elected officials	8	8	8	8	8	8	8	8	8	8
City clerk	3	3	3	3	3	3	3	3	3	3
Municipal court	14	12	12	15	16	16	16	14	14	16
City manager	6	5	6	5	6	7	7	7	6	6
Mayor staff	1	1	1	1	1	1	1	1	1	1
Finance	24	23	24	21	25	24	23	26	26	26
Personnel	9	6	8	8	9	9	8	8	9	9
Develop. servs and Sect 8	25	23	25	24	30	29	31	32	30	31
Public works										
Admin. & engineering	7	8	7	7	7	7	7	8	9	10
Building Inspection	9	7	7	6	8	8	8	8	7	7
Sanitation	42	37	42	42	41	42	42	39	38	38
Streets & Traffic	43	35	41	39	41	41	39	38	38	37
Public safety										
Police										
Officers	141	136	136	136	134	133	132	124	129	134
Civilians	20	28	26	17	31	31	33	30	31	31
Fire										
Firefighters & officers	131	119	127	122	134	128	131	132	132	129
Civilians	5	4	3	3	4	4	4	3	3	3
Culture and recreation										
Recreation	11	12	12	10	9	11	11	11	11	11
Property maintenance	38	38	20	19	16	17	17	16	16	14
Cemetery maintenance	3	3	3	3	3	2	1	1	1	2
BLW Board	6	6	6	6	6	6	6	6	6	6
Electric	132	134	137	127	130	137	127	131	126	129
Information Technology ²	19	19	20	19	21	21	20	20	20	20
Water/sewer	36	36	39	38	38	37	41	41	42	42
FiberNet ¹	26	26	24	0	0	0	0	0	0	0
Fleet maintenance	12	12	14	14	14	13	13	14	14	14
Total	771	741	751	693	735	735	729	721	720	727

¹ Fibernet division was sold to a private company in August 2004.

² Formerly MIS/GIS

Source: City of Marietta.

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Police										
Murder	2	5	6	1	6	4	4	3	4	4
Robbery	164	212	206	201	197	276	268	231	192	147
Aggravated assault	131	177	186	141	131	189	189	120	172	156
Motor vehicle theft	340	397	427	439	405	467	393	254	210	193
Burglary	552	635	609	483	419	614	636	604	690	715
Larceny	1,929	2,158	2,207	1,803	1,929	1,820	1,858	1,802	1,922	1,961
Fire										
Calls for service	11,467	11,736	11,736	12,266	12,633	12,514	10,496	10,076	10,880	10,362
Fires	443	388	381	227	220	296	297	220	301	236
Structure fires	197	176	75	80	75	79	75	77	77	70
EMS calls	4,498	4,617	4,945	3,487	3,500	3,715	3,803	4,135	4,605	5,217
Fire investigations	47	30	48	45	42	86	77	76	67	77
Plan reviews of commercial property	482	508	624	624	640	984	416	482	414	418
Public Works/Engineering/Inspections										
Highways and streets										
Street resurfacing (miles)	8	4	3	3	3	3	12.1	13.5	6.4	2.5
Pedestrian signals installed	8	6	10	9	9	19	10	1	16	13
Signalized intersections installed/upgraded	3	10	10	7	10	13	6	27	8	7
Engineering/building inspections										
Site plans reviewed	60	50	47	47	52	130	118	95	68	65
Grading permits issued	176	250	278	312	318	317	173	84	119	148
Permits issued (building and trade)	4,354	4,300	4,194	4,456	4,725	6,536	4,767	4,814	3,811	4,776
Inspections	11,708	12,000	10,500	11,295	11,525	17,180	12,039	11,913	10,347	12,418
Sanitation										
Tons of residential waste landfilled	13,822	12,500	14,700	14,983	15,300	19,785	18,955	17,124	15,579	16,061
Tons of residential waste recycled	6,010	4,500	6,030	6,527	6,825	5,786	6,391	7,445	7,440	8,060

* Information not readily available

** Suspended due to drought

Source: various City of Marietta departments as compiled by City's Budget Division

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parks, recreation, and facilities										
Parks and recreation										
Senior games participants	280	300	320	309	320	275	222	250	300	254
Summer day camp participants	694	544	580	517	790	356	1,018	814	640	702
Youth basketball participants	720	620	590	480	490	321	380	340	360	335
Youth track participants	128	100	100	112	108	92	100	0	0	0
Adult basketball teams	20	18	6	14	11	10	11	12	12	8
Concerts on the Square	15	16	16	17	17	17	17	19	16	19
Festivals on the Square	4	4	4	4	4	4	4	7	8	6
Facilities										
Inspections	7,441	3,470	3,470	3,470	3,571	3,613	3,659	400	400	427
Work orders	1,981	2,198	2,598	2,598	2,870	2,971	3,121	1,580	1,450	1,520
Vandalism incidents	244	183	173	173	189	264	210	39	32	7
Development Services										
Code enforcement cases	*	3,515	3,344	3,564	3,600	4,925	5,167	6,431	6,409	6,007
Citations issued	78	62	35	22	40	53	36	47	62	42
Sign permits issued	198	264	300	250	330	350	282	393	451	383
Rezoning applications processed	60	30	50	36	30	29	19	20	14	13
Variance applications processed	67	71	100	68	80	54	32	37	31	37
Plats reviewed	44	122	127	119	140	78	51	45	20	29
Building permits reviewed	691	693	700	768	800	1,677	1,511	1,118	1,168	1,271
Personnel										
Number of open positions	191	195	217	235	210	204	121	74	73	61
Number of applications received	2,430	2,525	3,553	5,043	4,500	5,584	5,733	3,342	4,649	3,581
Pension applications received and approved	23	23	25	39	40	37	25	32	20	20
Finance										
Tax payments processed	21,967	19,880	19,899	20,000	19,225	19,802	20,460	20,775	20,703	20,642
Value of tax payments (millions)	36	46	47.2	46.9	51.5	54.9	58.8	62.5	61.6	57.9
Property tax exemption forms	850	8,874	8,874	7,799	8,000	8,204	8,418	8,455	8,631	8,502
Purchase orders processed	2,300	2,700	2,500	2,500	2,375	2,351	2,107	2,113	1,974	1,964
Active vendors	6,200	6,300	6,300	6,300	6,375	6,425	6,439	6,687	6,996	7,400
Business licenses issued	8,365	8,815	8,898	8,854	8,558	9,020	8,098	7,276	8,379	8,399

* Information not readily available

** Suspended due to drought

Source: various City of Marietta departments as compiled by City's Budget Division

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Municipal Court										
Traffic citations issued	19,011	19,403	18,684	14,056	16,922	20,655	17,114	14,146	15,698	18,524
Red light citations issued	*	*	4,510	35,010	37,001	35,873	26,882	21,641	20,197	17,364
Parking citations issued	4,308	3,855	4,171	4,628	4,768	3,927	4,160	4,255	4,687	4,317
Cases filed	15,226	15,490	15,053	13,297	14,228	16,051	13,321	11,755	12,594	14,237
Non-jury trials	1,047	853	924	923	997	906	957	1,011	990	1,256
New probationers	707	673	631	578	528	489	631	673	722	712
Electric										
New customer work orders	300	300	300	429	415	677	551	150	144	121
Lighting repair work orders	1,851	1,970	1,970	1,970	1,769	1,771	1,847	1,800	1,733	1,517
Line clearance (miles)	55	55	84	68	75	104	100	110	98	94
Trees removed on system	450	217	240	208	250	209	225	315	298	594
Meter site audits	400	425	335	335	384	527	350	400	463	460
Transformer infrared scanning	165	125	130	130	218	289	220	250	407	503
Electric customers	44,467	44,843	46,073	45,543	44,338	45,593	46,032	46,477	46,525	41,386
Kilowatt hours sold (millions)	1,046	1,082	1,074	1,036	1,075	1,073	1,094	1,038	1,046	1,083
Water & sewer										
New meter installs	136	116	144	146	150	204	78	33	38	42
Large water main replacements (feet)	0	2,050	16,050	3,250	3,150	3,150	5,000	6,660	9,515	6,694
Water line replacements (feet)	0	5,802	14,330	11,920	17,455	4,600	6,100	6,257	6,082	3,563
Sewer main rehabilitation (feet)	0	2,420	9,191	3,087	15,100	4,500	2,800	12,774	6,589	5,102
Major sanitary sewer overflows	*	*	3	2	0	1	0	0	0	0
Backflow device inspections	*	*	180	186	274	454	469	457	760	616
Utility locates	*	*	3,617	3,510	4,000	3,495	3,625	3,536	3,662	2,252
Gallons of grease removed from traps	*	*	411,728	640,951	500,000	762,226	715,234	658,174	597,253	703,394
Valves exercised	*	900	110	140	600	189	0	0	284	253
Plan reviews	*	66	73	62	70	46	35	64	95	18
Work orders completed	11,250	10,200	11,679	11,857	12,000	3,142	5,812	5,613	5,361	4,707
Water accounts	18,194	18,325	18,218	18,276	18,249	18,661	18,073	18,441	17,710	17,684
Water gallons sold (million)	3,446	3,415	3,160	3,158	3,357	3,353	3,001	2,626	2,533	2,644
Sewer accounts	16,584	16,741	16,768	16,728	16,654	16,710	16,782	16,569	16,437	16,381
Sewer gallons (millions)	3,159	3,093	2,960	2,962	3,044	2,998	2,708	2,430	2,567	2,381

* Information not readily available

** Suspended due to drought

Source: various City of Marietta departments as compiled by City's Budget Division

CITY OF MARIETTA, GEORGIA
Capital Asset Statistics by Function
Last ten fiscal years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	72	82	80	87	98	103	99	108	104	116
Fire Stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	15	15	15	15	15	15	15	15	15	15
Highways and streets										
Streets(miles)	215.8	217.0	217.6	219.6	220.2	223.2	223.7	222.1	216.8	216.6
Streetlights	**	**	**	**	6787	6,817	7,824	7,748	7,665	7,660
Traffic signals	100	102	104	106	108	108	104	105	104	104
Culture and recreation										
Parks acreage	278.8	287.7	288	288	288	298.8	310	310	310	310
Parks	18	19	19	19	19	20	20	22	22	22
Swimming pools ***	1	1	1	1	1	1	1	1	1	1
Tennis courts	25	27	27	27	27	27	23	19	19	19
Community centers	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles) *	280	290	300	305	314.4	314.4	318.8	326.9	328	331.6
Fire hydrants *	2,100	2,150	2,200	2,250	2,315	2,322	2,385	2,594	2,619	2,626
Water pump stations	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewer mains (miles)*	230.0	240.0	255.0	265.0	275.5	278.3	285.2	293.8	298	300.9
Storm sewers(miles)	221.2	222.4	223.0	225.0	225.6	225.6	230	232.2	232.2	232.2
Wastewater pump stations	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	19	20	20	20	20	20	21	21	20	21
Miles of service lines	**	561	562	569	572	579	585	588	590	590
Conference Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: City departments

Note: * Fiscal Years 2002 - 2005 estimates

** not readily available

*** swimming pool closed FY09